



**NGEX MINERALS LTD.  
(the "Corporation")**

**SHARE OPTION PLAN**

**(Adopted by the Board on May 7, 2019, as amended on May 19, 2022)**

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**ARTICLE 1**

**GENERAL**

**1.1 Purpose**

The purpose of this Plan is to advance the interests of the Corporation by (i) providing Eligible Persons (as defined below) with additional incentive; (ii) encouraging stock ownership by Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (iv) encouraging Eligible Persons to remain with the Corporation or its Affiliates (as defined below); and (v) attracting Employees (as defined below), Officers (as defined below), Directors (as defined below) and Consultants (as defined below) to the Corporation or its Affiliates.

**1.2 Administration**

- (a) This Plan will be administered by the Board or a committee of the Board duly appointed for this purpose by the Board and consisting of not less than three Directors. If a committee is appointed for this purpose, all references to the term "Board" will be deemed to be references to the committee.
- (b) Subject to the limitations of this Plan, the Board has the authority: (i) to determine if any particular person is an Eligible Person to whom Options may be granted; (ii) grant Options to purchase Shares to Eligible Persons; (iii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iv) to interpret this Plan and to adopt, amend and rescind such administrative guidelines and other rules relating to this Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority; and (v) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board's guidelines, rules, interpretations and determinations will be conclusive and binding upon all parties.
- (c) The Board shall be responsible for ensuring and confirming that, for any Option granted to any Employee, Consultant or Management Company Employee (as defined below), such Participant is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

**1.3 Interpretation**

For the purposes of this Plan, the following terms will have the following meanings unless otherwise defined elsewhere in this Plan:

“**Affiliate**” means an affiliate of the Corporation within the meaning of Section 1.3 of National Instrument 45-106 – *Prospectus Exemptions*, as may be amended or replaced from time to time;

“**Affiliated Entity**” means, a person or company that controls or is controlled by the Corporation or that is controlled by the same person or company that controls the Corporation;

“**Associate**” where used to indicate a relationship with any person or company, means: (i) any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the company for the time being outstanding; (ii) any partner of that person or company; (iii) any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity; (iv) any relative of that person who resides in the same home as that person; (v) any person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage; or (vi) any relative of a person mentioned in clause (v) who has the same home as that person;

“**Board**” means the Board of Directors of the Corporation or any committee of the board of directors to which the duties of the board of directors hereunder are delegated;

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

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a majority-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (d) any person, entity or group of persons or entities acting jointly or in concert (an “**Acquiror**”) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Corporation which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the *Securities Act* (British Columbia)) to cast or to direct the casting of 40% or more of the votes attached to all of the Corporation’s outstanding Voting Securities which may be cast to elect Directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect Directors), unless a majority of the Board as

constituted immediately prior to the time that such person, entity or group of persons or entities acting jointly or in concert becomes the Acquiror determines that the circumstances are such that a Change of Control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the Plan;

- (e) as a result of or in connection with: (A) a contested election of Directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
- (f) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, “**Voting Securities**” means Shares and any other shares entitled to vote for the election of Directors and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of Directors but are convertible into or exchangeable for shares which are entitled to vote for the election of Directors including any options or rights to purchase such shares or securities;

“**Consultant**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

“**Corporation**” means NGEx Minerals Ltd. and includes any successor thereto;

“**Director**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

“**Discounted Market Price**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

“**Disinterested Shareholder Approval**” means approval by a majority of votes cast at a general meeting of the shareholders of the Corporation excluding votes attached to shares beneficially owned by the Insiders of the Corporation and their respective Associates;

“**Eligible Person**” means, subject to the terms hereof and to all applicable law, any Employee, Officer, Director or Consultant of (i) the Corporation or (ii) any Affiliated Entity;

“**Employee**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

“**Holding Company**” means a holding company wholly owned and controlled by an Eligible Person;

“**Insider**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

“**Investor Relations Activities**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

“**Management Company Employee**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

“**Market Price**” means the closing price of the Shares on the TSXV (or, if such Shares are not then listed and posted for trading on the TSXV, on such other stock exchange or dealing network on which the Shares are listed and posted for trading) on the last business day immediately preceding the day the Option is granted. If there is no such closing price or trade on the prior business day, the Market Price shall be the VWAP of the Shares, calculated by dividing the total value of Shares by the total volume of Shares traded on the TSXV for the five trading days immediately preceding the day the Option is granted or, if such Shares are not then listed and posted for trading on the TSXV, on such other stock exchange or dealing network on which the Shares are listed and posted for trading or as determined by the Board in their absolute discretion if the Shares are not listed or traded on any stock exchange or dealing network;

“**Material Information**” has the meaning ascribed thereto in the TSXV Corporate Finance Manual in effect from time to time;

“**Officer**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

“**Option**” means a right granted to an Eligible Person to purchase Shares pursuant to the terms of this Plan;

“**Optionee**” shall mean a Participant to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;

“**Participant**” means Eligible Persons to whom an Option has been granted;

“**Plan**” means this Share Option Plan of the Corporation, as it may be amended from time to time;

“**RRSP**” means a registered retirement savings plan as defined in the *Income Tax Act* (Canada);

“**Security Based Compensation Plans**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time;

“**Shares**” means the common shares in the capital of the Corporation;

“**subsidiary**” means a corporation which is a subsidiary of the Corporation as defined under the *Securities Act* (British Columbia);

“**Termination**” means: (i) in the case of an Employee, the termination of the employment of the Employee by the Corporation or an Affiliated Entity or cessation of employment of the Employee with the Corporation or an Affiliated Entity as a result of resignation; (ii) in the case of an Officer or Director, the removal or resignation of, or failure to re-elect or re-appoint the individual as an Officer or Director of the Corporation or an Affiliated Entity; and (iii) in the

case of a Consultant, the termination of the services of a Consultant by the Corporation or an Affiliated Entity;

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Person due to the Termination of the Participant;

“**Transfer**” includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing;

“**TSXV**” means the TSX Venture Exchange, or such other stock exchange or quotation system on which the Shares are listed or quoted from time to time; and

“**VWAP**” has the meaning ascribed to it in the TSXV Corporate Finance Manual in effect from time to time.

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine.

This Plan is to be governed by and interpreted in accordance with the laws of the Province of British Columbia.

#### **1.4 Shares Reserved under the Share Option Plan**

- (a) Subject to the approval of the TSXV (as well as the approval of the shareholders of the Corporation of this Plan), Options may be granted in respect of authorized and unissued Shares provided that the maximum aggregate number of Shares which shall be reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options granted under this Plan shall not exceed 10% of the number of Shares that are issued and outstanding at the time of the granting of an Option, less the aggregate number of Shares which may be reserved for issuance under all other share based compensation outstanding under all other Security Based Compensation Plans of the Corporation at such time, as applicable, unless the Corporation has obtained the requisite Disinterested Shareholder Approval. Any Shares subject to an Option which has been granted under the Plan and which have been cancelled or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Plan. No fractional Shares may be purchased or issued under the Plan.
- (b) The aggregate number of Shares reserved for issuance to Insiders, as a group, pursuant to the Plan and all other Security Based Compensation Plans of the Corporation, as applicable, shall not exceed 10% of the total number of Shares then outstanding. The aggregate number of Shares issued to Insiders, as a group, pursuant to the exercise of Options, within a 12 month period, pursuant to the Plan and all other Security Based Compensation Plans of the Corporation at such time, as applicable, shall not exceed 10% of the total number of Shares then outstanding, unless the Corporation has obtained the requisite Disinterested Shareholder Approval.

- (c) The aggregate number of Shares reserved for issuance to any one person pursuant to the Plan and all other Security Based Compensation Plans of the Corporation, as applicable, in any 12 month period shall not exceed five percent of the number of Shares of the Corporation that are issued and outstanding at the time of the applicable grant or issuance of any Option and such other share based compensation outstanding under all other Security Based Compensation Plans, as applicable, unless the Corporation has obtained the requisite Disinterested Shareholder Approval.
- (d) The maximum number of Shares which may be reserved for issuance under all Options and all other Security Based Compensation Plans of the Corporation, as applicable, in any 12 month period to any one Consultant shall not exceed two percent of the number of Shares of the Corporation that are issued and outstanding at the time of the applicable grant or issuance of any Option or other share based compensation pursuant to such other Security Based Compensation Plans of the Corporation, as applicable, unless the Corporation has obtained the requisite Disinterested Shareholder Approval;
- (e) The maximum number of Shares which may be reserved for issuance under all Options and all other Security Based Compensation Plans of the Corporation, as applicable, in any 12 month period to all persons whose role and duties primarily consist of Investor Relations Activities shall not exceed two percent of the number of Shares of the Corporation that are issued and outstanding at the time of the applicable grant or issuance of any Option or other share based compensation pursuant to such other Security Based Compensation Plans of the Corporation, as applicable.
- (f) Notwithstanding any other provision of this Plan, Options granted to Eligible Persons whose role and duties primarily consist of Investor Relations Activities shall be subject to the vesting requirements of the TSXV, namely that such Options shall vest over 12 months with no more than twenty five percent of such Options vesting in any three month period. Eligible Persons whose role and duties primarily consist of Investor Relations Activities may not receive any share based compensation pursuant to any Security Based Compensation Plans of the Corporation other than stock options (including Options granted pursuant to this Plan).
- (g) For purposes of this Section 1.4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option or the exercise of the applicable Option.
- (h) For greater certainty, any increase in the issued and outstanding Shares will result in an increase in the available number of the Shares issuable under the Plan, and exercises of Options will make new grants available under the Plan.

## ARTICLE 2

### OPTION GRANTS AND TERMS OF OPTIONS

#### 2.1 Grants

Subject to this Plan, the Board will have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set out in this Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Shares acquired upon exercise of an Option may be forfeited. Options shall only be granted to Eligible Persons. An Eligible Person, an Eligible Person's RRSP and an Eligible Person's Holding Company may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

#### 2.2 Exercise of Options

- (a) Subject to Section 2.12, Options granted must be exercised no later than 10 years after the date of grant or such lesser period as the applicable grant may require.
- (b) The Board may determine when any Option will become exercisable and may determine that the Option will be exercisable in instalments or pursuant to a vesting schedule.
- (c) No fractional Shares may be issued and the Board may determine the manner in which fractional Share value will be treated.
- (d) A minimum of 100 Shares must be purchased by a Participant upon exercise of Options at any one time, except where the remainder of Shares available for purchase pursuant to Options granted to such Participant totals less than 100.

#### 2.3 Hold Periods

- (a) Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws and under the requirements of any stock exchange on which the Shares are listed for trading, and any certificates representing such Shares shall bear, as required, a restrictive legend in respect thereof.
- (b) If the Corporation grants Options at a discount to the Market Price, such Options and Shares issued upon exercise of such Options must include the following legend:

“Without prior written approval of the 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 the 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 one day after grant.]**”

- (c) If the Corporation grants Options to Directors, Officers, Promoters of the Corporation (as such term is defined in the TSXV rules and policies) or to a person holding 10% or more of the voting rights of the Corporation's issued and outstanding Shares at the date of grant, such Options and Shares issued upon exercise of such Options must include the following legend:

“Without prior written approval of the 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 the 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 one day after grant.]**”

## 2.4 Option Price

- (a) The Board will establish the exercise price of an Option at the time each Option is granted provided that such price shall not be less than the Discounted Market Price, provided that the exercise price shall not be less than \$0.05 per Share.
- (b) Disinterested Shareholder Approval will be required for any reduction in the exercise price of a previously granted Option to an Insider of the Corporation.
- (c) In the event the Corporation grants Options within 90 days of a distribution by prospectus (the “**Distribution**”), the minimum exercise price will be the greater of the Discounted Market Price and the per share price paid by public investors for Shares acquired under the Distribution. The 90 day period shall begin on the date a final receipt is issued for such prospectus.

## 2.5 Grant to Participant's RRSP or Holding Company

Upon written notice from an Eligible Person, any Option that might otherwise be granted to that Eligible Person, will be granted, in whole or in part, to an RRSP or a Holding Company established by and for the sole benefit of the Eligible Person.

## 2.6 Ceasing to be Eligible Persons

- (a) In the event of the Termination of a Participant, by reason of dismissal without cause or voluntary termination by the Participant, each Option held by the Participant, the Participant's RRSP or the Participant's Holding Company will cease to be exercisable within a period of 90 days after the Termination Date, or for a “reasonable period” as determined by the Board, provided that in no event shall such longer period extend beyond the date that is one year from the date of termination. For greater certainty, such determination of a longer period may be made at any time subsequent to the date of grant of the Options and the Board may delegate authority to the Chief Executive Officer, the President and/or the Chief Financial Officer of the Corporation to make any determination with respect to the expiry or termination date of Options held by any departing Participant. Subject to Section 1.4(f), if any portion of an Option has not vested on the Termination Date, the Participant, the Participant's RRSP or the



Participant's Holding Company may not, after the Termination Date, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer, the President and/or the Chief Financial Officer to make any determination with respect to vesting of Options or any portion thereof held by any departing Participant.

- (b) In the event a Participant is dismissed with cause, each Option held by such Participant, the Participant's RRSP or the Participant's Holding Company shall cease to be exercisable immediately upon the Participant being given notice of termination.
- (c) If a Participant dies, the legal representatives of the Participant may exercise the Options held by the Participant, the Participant's RRSP and the Participant's Holding Company within a period after the date of the Participant's death as determined by the Board, for greater certainty such determination may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months following the date of death of the Participant, but only to the extent the Options were by their terms exercisable on the date of death. The Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer, the President and/or the Chief Financial Officer to make any determination with respect to the expiry or termination date of Options or vesting of Options or any portion thereof held by any deceased Participant. If the legal representative of a Participant who has died exercises the Option of the Participant or the Participant's RRSP or the Participant's Holding Company in accordance with the terms of this Plan, the Corporation will have no obligation to issue the Shares until evidence satisfactory to the Corporation has been provided by the legal representative that the legal representative is entitled to act on behalf of the Participant, the Participant's RRSP or the Participant's Holding Company to purchase the Shares under this Plan.

## 2.7 Option Agreements

Each Option must be confirmed, and will be governed, by an agreement or certificate (an "**Option Agreement**") in the form of Schedule "A" (as the same may be amended from time to time) signed by the Corporation and the Participant or an RRSP of which the Participant is an annuitant or the Participant's Holding Company. Each Option Agreement shall, if the Participant is an Employee, Consultant or Management Company Employee, contain a representation and warranty by the Corporation and such Participant that such Participant is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be, of the Corporation or an Affiliate. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

## **2.8 Payment of Option Price**

The exercise price of each Share purchased under an Option plus such amount as may be required by applicable legislation for statutory withholdings as set out more fully in Section 2.11 hereof must be paid in full to the Corporation and upon receipt of payment in full, but subject to the terms of this Plan, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable. Share certificates representing the number of Shares in respect of which the Option has been exercised will be issued only upon payment in full of the relevant exercise price and, if applicable, statutory withholdings to the Corporation.

## **2.9 Acceleration on Change of Control**

In the event of a Change of Control, all Options outstanding granted to Eligible Persons, excluding Options granted to Optionees providing Investor Relations Activities, shall be immediately exercisable, notwithstanding any determination of the Board pursuant to Section 2.2 hereof, if applicable. For greater certainty, upon a Change of Control, Participants shall not be treated any more favourably than holders of Shares with respect to the consideration that the Participants would be entitled to receive for the Shares issuable upon exercise of their Options.

If the Participant elects to exercise its Options following a Change of Control, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Shares which he was entitled upon such exercise, the kind and amount of shares and other securities, property or cash which such holder would have been entitled to receive as a result of such Change of Control, on the effective date thereof, had the Optionee been the registered holder of the number of Shares to which the Optionee was entitled to purchase upon exercise of such Options.

For greater certainty, the acceleration of any TSXV-imposed vesting conditions of outstanding Options granted to Optionees providing Investor Relations Activities will be subject to the prior written approval of the TSXV.

## **2.10 Amendment of Option Terms**

Subject to the prior approval of any applicable regulatory authorities (as required), including any required approval of any relevant stock exchange, and the consent of the Participant affected thereby, and without further shareholder approval, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant the Option as so modified or amended, including without limitation, to change the date or dates as of which, or the price at which, an Option becomes exercisable.

## **2.11 Statutory Withholdings**

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other source deductions is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that a Participant pay to the Corporation, in addition to and in the same manner as the exercise price for the Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option or, alternatively, the Corporation shall have the right in its discretion to satisfy any such liability for withholding or other required deduction by retaining any Shares acquired upon exercise of any

Option and selling such Shares in the open market for and on behalf of the Optionee, or retaining any amount payable, to a Participant by the Corporation, whether or not such amounts are payable under the Plan.

## **2.12 Blackout Periods**

An Option will be automatically extended past the expiry date of an Option governed by this Plan if such expiry date falls within a period (a “**blackout period**”) during which the Corporation prohibits Participants from exercising their Options provided that the following requirements are satisfied:

- (a) The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any Options will not be automatically extended.
- (b) The blackout period must expire following the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten business days after the expiry of the blackout period.
- (c) The automatic extension of a Participant’s Options will not be permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under securities laws) in respect of the Corporation’s securities.
- (d) The automatic extension is available to all eligible Participants under this Plan under the same terms and conditions.

## **ARTICLE 3**

### **MISCELLANEOUS**

#### **3.1 Right to Terminate Options on Sale of Corporation**

Notwithstanding any other provision of this Plan, if the Board at any time by resolution declares it advisable to do so in connection with any proposed sale or conveyance of all or substantially all of the property and assets of the Corporation or any proposed merger, consolidation, amalgamation or offer to acquire all of the outstanding Shares (collectively, the “**Proposed Transaction**”), the Corporation may give written notice to all Participants advising that their respective Options, including Options held by their RRSP’s or Holding Companies, may be exercised only within 90 days after the date of the notice and not thereafter, and that all rights of the Participants, their RRSP’s and Holding Companies under any Options not exercised will terminate at the expiration of the 90-day period, provided that the Proposed Transaction is completed within 180 days after the date of the notice. If the Proposed Transaction is not completed within the 180-day period, no right under any Option will be affected by the notice, except that the Option may not be exercised between the date of expiration of the 90-day period and the day after the expiration of the 180-day period.

### **3.2 Prohibition on Transfer and Assignment of Options**

Subject to Section 2.4, Options are personal to each Eligible Person. No Eligible Person or RRSP or Holding Company of an Eligible Person may deal with any Options or any interest in them or Transfer or assign any Options now or hereafter held by the Eligible Person or RRSP or Holding Company. If a Participant's Holding Company ceases to be wholly owned and controlled by the Participant, such Participant will be deemed to have transferred any Options held by such Holding Company in violation of the Plan. A purported Transfer or assignment of any Options in violation of the Plan will not be valid, the Corporation will not issue any Share upon the attempted exercise of improperly transferred or assigned Options, and the Options will be forfeited and cancelled.

### **3.3 Capital Adjustments**

If there is any change in the outstanding Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental corporate change, the Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in (i) the exercise price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares. In the event of the reorganization of the Corporation or the amalgamation or consolidation of the Corporation with another corporation, the Board may make such provision for the protection of the rights of Eligible Persons, Participants, their RRSP's and their Holding Companies as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

### **3.4 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Eligible Person or Participant, subject to any required regulatory or shareholder approval.

### **3.5 Amendment and Termination**

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.5(a) and (b) below, including any required approval of any relevant stock exchange, the Board may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such action may, without the consent of the Optionee, in any manner adversely affect the Optionee's rights under any Option theretofore granted under the Plan.

- (a) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan or any Options granted thereunder:
  - (i) any amendment to increase the number of securities issuable under the Plan, including, if applicable, an increase to a fixed maximum number of

securities or a change from a fixed maximum number of securities to a fixed maximum percentage;

- (ii) any amendment to the participation limits in Section 1.4;
- (iii) any change to the definition of “Eligible Person”;
- (iv) the addition of any form of financial assistance;
- (v) any amendment to a financial assistance provision which is more favourable to participants;
- (vi) any addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;
- (vii) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the Corporation;
- (viii) any amendment to this Section 3.5 relating to the amending provisions of this Plan;
- (ix) any amendment to Section 3.2 of this Plan that would permit Options to be assigned or transferred, other than for normal estate settlement purposes;
- (x) any amendment to the exercise price of any Option issued under the Plan where such amendment reduces the exercise price of such Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);
- (xi) any amendment of this Plan that would permit an extension beyond the original expiry date of outstanding Options;
- (xii) any amendment to the method for determining the exercise price of Options;
- (xiii) any amendment to the maximum term of Options granted under this Plan;
- (xiv) any amendment to the expiry and termination provisions applicable to Options;
- (xv) the addition of a Net Exercise (as such term is defined in the TSXV Corporate Finance Manual in effect from time to time) provision, if applicable;
- (xvi) any amendment to a method or formula for calculating prices, values or amounts under this Plan that may result in a benefit to a participant,

including but not limited to the formula for calculating the appreciation of a Stock Appreciation Right (as such term is defined in the TSXV Corporate Finance Manual in effect from time to time);

- (xvii) a discontinuance of this Plan; and
  - (xviii) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing shareholders.
- (b) The Board may, and without further shareholder approval, subject to receipt of requisite regulatory approval, where required, including any required approval of any relevant stock exchange, in its sole discretion make the following amendments to the Plan:
- (i) add or modify a cashless exercise feature providing for payment in cash or securities upon the exercise of Options;
  - (ii) reduce the number of Options that may be issued under this Plan;
  - (iii) increase the exercise price of an Option;
  - (iv) make any amendments required to comply with applicable laws or the requirements of the TSXV or any regulatory body or stock exchange with jurisdiction over the Corporation; and
  - (v) any change fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the TSXV, including amendments of a "clerical" or "housekeeping" nature and amendments to ensure that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Person may from time to time be resident or a citizen.
- (c) Notwithstanding the provisions of subsection 3.5(b), the Corporation shall additionally obtain requisite shareholder approval in respect of amendments to the Plan that are contemplated pursuant to subsection 3.5(b), to the extent such approval is required by any applicable laws or regulations.
- (d) For greater certainty, it shall be a condition that Disinterested Shareholder Approval to any amendment of existing Options, including any amendment to the extension of the term of any Option granted to an Insider or to an Option that results in a benefit to an Insider, shall be obtained prior to the exercise of Options granted to Insiders.

### **3.6 Compliance with Legislation**

The Board may postpone or adjust any exercise of any Option or the issue of any Shares pursuant to this Plan as the Board in its discretion may deem necessary in order to permit the

Corporation to effect or maintain registration of this Plan or the Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to determine that the Shares and this Plan are exempt from such registration. The Corporation is not obligated by any provision of this Plan or any grant hereunder to sell or issue Shares in violation of any applicable law. In addition, if the Shares are listed on a stock exchange, the Corporation will have no obligation to issue any Shares pursuant to this Plan unless the Shares have been duly listed, upon official notice of issuance, on a stock exchange on which the Shares are listed for trading.

### **3.7 Designation of Consultants – Liability**

To the maximum extent permitted by applicable law, no Officer or member or former member of the Committee or of the Board shall be liable for any action or determination made in good faith with respect to the Plan or any award granted under it. To the maximum extent permitted by applicable law and the Articles and By-Laws of the Corporation and to the extent not covered by insurance, each Employee of the Corporation and member or former member of the Committee or of the Board shall be indemnified and held harmless by the Corporation against any cost or expense (including reasonable fees of counsel reasonably acceptable to the Corporation) or liability (including any sum paid in settlement of a claim with the approval of the Corporation), and advanced amounts necessary to pay the foregoing at the earliest time and to the fullest extent permitted, arising out of any act or omission to act in connection with the Plan, except to the extent arising out of such Officer's, member's or former member's own fraud or bad faith. Such indemnification shall be in addition to any rights of indemnification the Employees, Officers, Directors or members or former Officers, Directors or members may have under applicable law or under the Articles or By-Laws of the Corporation or Affiliate. Notwithstanding anything else herein, this indemnification will not apply to the actions or determinations made by an individual with regard to awards granted to him or her under this Plan.

### **3.8 No Rights as Shareholder**

The holder of an Option shall not have any rights as a holder of Shares with respect to any of the Shares underlying an Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the exercise price in respect of which the Option is being exercised).

### **3.9 No Rights to Continued Employment**

Nothing in the Plan or any Option shall confer upon a Participant any right to continue in the employment or engagement of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate his employment or engagement at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment or engagement of any Participant beyond the date on which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the date on which his relationship with the Corporation or any Affiliate would otherwise be terminated pursuant to the provisions of any employment, consulting or other contract for services with the Corporation or any Affiliate.

**SCHEDULE "A"**

**NGEx MINERALS LTD. – SHARE OPTION PLAN**

**OPTION AGREEMENT**

**[Date]**

PERSONAL & CONFIDENTIAL

**[Name]**

**[Address]**

Dear **[Name]**:

This Option Agreement is entered into between NGEx Minerals Ltd. (the "**Corporation**") and the Optionee named above pursuant to the Corporation's Share Option Plan (the "**Plan**") and confirms that the Board has granted to you an option (the "**Option**") to purchase common shares (the "**Shares**") of the Corporation. This Option is granted on the basis set out in this option agreement, and is subject to the Plan, a copy of which is attached hereto. This Option Agreement and the Plan are referred to collectively below as the "Option Documents". All capitalized terms not otherwise defined shall have the meaning attributed to them in the Plan.

The award date of the Option is: \_\_\_\_\_

The total number of Shares that you may purchase pursuant to this Option is: \_\_\_\_\_

The Option exercise price per Share is: \_\_\_\_\_

Your rights to purchase Shares pursuant to this Option will expire on \_\_\_\_\_, 20\_\_ (the "**Expiry Date**").

Your rights to purchase Shares will vest as follows:

(i) up to \_\_\_\_\_ Shares on or after \_\_\_\_\_;

(ii) up to \_\_\_\_\_ Shares on or after \_\_\_\_\_;

(iii) up to \_\_\_\_\_ Shares on or after \_\_\_\_\_; and

(iv) up to \_\_\_\_\_ Shares on or after \_\_\_\_\_.

all on terms and subject to the conditions set out in the Plan.

Subject to earlier expiration in accordance with the Option Documents, your rights to purchase Shares pursuant to this Option will expire with respect to any vested portion at 5:00 p.m. on the Expiry Date.



This Option may be exercised in whole or in part in respect of vested Options at any time prior to the Expiry Date of the relevant Options by delivery of written notice to the Corporation's head office to the attention of the Corporate Secretary of the Corporation, specifying the number of Shares to be purchased, accompanied by payment by bank draft, certified cheque or such other payment that is acceptable to the Corporation (in its sole discretion) of the total purchase price of the Shares plus such amount as may be required by applicable legislation for statutory withholdings. This Option may not be exercised in amounts of less than 100 Shares in the case of any one exercise unless that exercise would entirely exhaust the Option.

The Optionee authorizes and the Corporation shall have the right to deduct and to collect and withhold from the Optionee or its agent, as the case may be, any amounts required by applicable legislation to be withheld for any taxes or otherwise with respect to awards hereunder. The Optionee acknowledges that in accordance with Section 2.11 of the Plan, the Corporation shall have the right in its discretion to satisfy any such liability for withholding or other required deduction by retaining any Shares acquired upon exercise of any Option and selling such Shares in the open market for and on behalf of the Optionee, or retaining any amount payable, to a Participant by the Corporation, whether or not such amounts are payable under the Plan.

Nothing in the Option Documents will affect our right to terminate your services, responsibilities, duties and authority at any time for any reason whatsoever. Regardless of the reason for your termination, your Option rights will be restricted to those Option rights which have vested on or prior to your date of termination and, in any claim for wrongful dismissal or breach of contract, no consideration will be given to any Options that might have vested during an appropriate notice period or as a result of additional compensation you may receive in place of that notice period.

All decisions made by the Board of Directors with regard to any questions arising in connection with the Option Documents, whether of interpretation or otherwise, will be binding and conclusive on all parties.

This Option Agreement and the Option rights granted to you are personal and may not be sold, pledged, transferred or encumbered in any way.

This Option and the Shares issuable upon exercise of this Option may be subject to certain restrictive hold periods as prescribed by applicable securities legislation and the policies of the TSXV, as may be in force from time to time.

If the Optionee is not a Director or Officer of the Corporation, the Optionee and the Corporation represent and warrant to each other that the Optionee:

- (a) is a *bona fide* "Management Company Employee" of the Corporation, which is defined as being an individual employed by a person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a person engaged in Investor Relations Activities; OR
- (b) is a *bona fide* "Employee" of the Corporation, which is defined as being:

- (i) an individual who is considered an Employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for a Corporation or its subsidiary providing services normally provided by an Employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an Employee of the Corporation, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for a Corporation 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 Corporation over the details and methods of work as an Employee of the Corporation, but for whom income tax deductions are not made at source; OR
- (c) is a *bona fide* “Consultant” of the Corporation, which is defined as being, in relation to the Corporation, an individual (other than an Employee or Director of the Corporation) or company that:
- (i) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Corporation, as the case may be;
  - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
  - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

The Corporation hereby certifies that the class of securities that is referenced in this Option is not registered under the United States Securities Exchange Act of 1934.

Note to reporting insiders: Please remember to comply with your reporting issuer requirements within the time prescribed by applicable securities legislation. Insider reports in Canada may only be filed electronically on the web-based system known as SEDI ([www.sedi.ca](http://www.sedi.ca)). We anticipate that you will handle the filing of your own insider reports.

Please acknowledge acceptance of your Option rights on these terms by signing where indicated below on this letter and returning the signed copy to the Corporation to the attention of the Corporate Secretary. By signing and delivering a copy of this option agreement, you are acknowledging receipt of a copy of the Plan and are agreeing to be bound by all of the terms of the Option Documents.

Yours truly,

**NGEx MINERALS LTD.**

By: \_\_\_\_\_

I, \_\_\_\_\_, (the “**Option Holder**”) have read the Option Documents and hereby acknowledge and agree to accept this Option and to be bound by the Option Documents this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signature of Option Holder \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Witness: \_\_\_\_\_

Witness Name: \_\_\_\_\_  
(Printed)

**[Note: Letter to be revised if Options granted to RRSP or Holding Company.]**