



2023 MANAGEMENT INFORMATION CIRCULAR WESTERN METALLICA RESOURCES CORP.

ABOUT THE SHAREHOLDER MEETING

April 21, 2023

You have received this management information circular (the “**Circular**”) because you owned common shares (“**Common Shares**”) of Western Metallica Resources Corp. (“**Corporation**”) as of April 21, 2023 (the “**Record Date**”). You are therefore entitled to vote at the 2023 annual general and special meeting of common shareholders of the Corporation (the “**Meeting**”) to be held virtually on Wednesday, June 7, 2023 at 10:00 a.m. (Toronto time) by way of live webcast and teleconference accessible by the following particulars:

Webcast	Join Zoom Meeting https://us02web.zoom.us/j/86180892748?pwd=QkRhTE10YitiWVlBWXdSglgyN3F3Zz09 Meeting ID: 861 8089 2748 Passcode: 743038
Teleconference	+1 647 374 4685 Canada +1 647 558 0588 Canada +1 646 931 3860 US +1 669 444 9171 US Find your local number: https://us02web.zoom.us/j/kvxG6zwt3

The Meeting is being held for the following purposes:

1. To receive the audited financial statements of the Corporation for the financial year ended December 31, 2022, together with the auditor’s report thereon;
2. To appoint McGovern Hurley LLP as auditors (the “**Auditors**”) of the Corporation for the current financial year and to authorize the directors to fix the remuneration of the Auditors;
3. To elect directors of the Corporation for the ensuing year;
4. To consider and, if thought fit, to approve an ordinary resolution ratifying and re-approving the Corporation’s existing Omnibus Incentive Plan (the “**Omnibus Plan**”). The full text of the ordinary resolution is set out in the accompanying Circular; and
5. To transact other business as may properly come before the Meeting.

This year, out of an abundance of caution, to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold our Meeting in a “virtual only” format, which will be conducted via live audio webcast and teleconference. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location. The Meeting will be held on Wednesday, June 7, 2023 at 10:00 a.m. (Toronto time) virtually via live audio webcast and teleconference. Registered shareholders of the corporation (“**Registered Shareholders**”) and duly appointed proxyholders will be able to attend, participate and vote at the Meeting. Non-registered shareholders (“**Non-Registered Holders**”) who have not duly appointed themselves as proxyholders may attend the Meeting as guests. Guests will not be able to vote at the Meeting. Registered Shareholders and duly appointed proxyholders who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out below under “Voting Information”. Non-Registered Holders who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote at the Meeting. See “Voting Information – Voting at the Meeting” below. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by the Corporation’s investor relations group by telephone, and by officers and directors of the Corporation (but not for additional compensation). The costs of solicitation will be borne by the Corporation. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries to forward solicitation materials to the beneficial owners of common shares of the Corporation held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

Unless otherwise specified, information contained in this Circular is given as of April 21, 2023, and, unless otherwise specified, all amounts shown represent Canadian dollars.

APPOINTMENT, REVOCATION AND DEPOSIT OF PROXIES

The persons named in the enclosed instrument of proxy are officers and directors of the Corporation who have been selected by the directors of the Corporation and have indicated their willingness to represent as proxies the Shareholders who appoint them.

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE OR APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM OR HER AND ON HIS OR HER BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY.

Such right may be exercised by striking out the names of the persons designated in the instrument of proxy and by inserting in the blank space provided for that purpose the name of the desired person or company or by completing another proper form of proxy (“**Form of Proxy**”) and, in either case, depositing the completed and executed proxy with the registrar and transfer agent of the Corporation, Endeavor Trust Corporation (the “**Transfer Agent**”) located at 777 Hornby Street, Suite 702, Vancouver, BC V6Z 1S4, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment(s) or postponement(s) thereof.

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the proxy.

A Shareholder who has given a proxy may revoke it at any time in so far as it has not been exercised. A proxy may be revoked, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a body corporate, by a duly authorized officer,

attorney or representative thereof and deposited with the Transfer Agent located at 777 Hornby Street, Suite 702, Vancouver, BC V6Z 1S4 at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment(s) or postponement(s) thereof, at the registered office of the Corporation at any time prior to 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof, and upon any of such deposits the proxy is revoked. A proxy may also be revoked in any other manner permitted by law. The Corporation's registered office is located at 93 Ridley Blvd, Toronto, ON M5M 3L6.

NOTICE-AND-ACCESS

The Corporation has elected to deliver the materials in respect of the Meeting pursuant to the notice-and-access provisions (the "**Notice-and-Access Provisions**") concerning the delivery of proxy-related materials to Shareholders, found in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), in the case of registered Shareholders, and section 2.7.1 of NI 54-101, in the case of beneficial Shareholders. The Notice-and-Access Provisions are a set of rules that reduce the volume of proxy-related materials that must be physically mailed to shareholders by allowing issuers to deliver meeting materials to shareholders electronically by providing shareholders with access to these materials online.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting this Circular (and if applicable, other materials) electronically on a website that is not the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), the Corporation must send the Notice to Shareholders, including beneficial Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Corporation.

In accordance with the Notice-and-Access Provisions, the Notice and a Form of Proxy or voting instruction form (the "**VIF**"), as applicable, have been sent to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. This Circular has been posted in full under the Corporation's SEDAR profile as well as its website at <https://www.westernmetallicacorp.com/investors>

The Corporation will cause its Transfer Agent to deliver copies of the proxy-related materials to the Non-Objecting Beneficial Owners at their own cost. The Corporation does not intend to pay for the Intermediaries to deliver to Objecting Beneficial Owners the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of NI 54-101.

MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed Form of Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them and if the Shareholder specifies a choice with respect to any matter to be acted upon, the common shares shall be voted accordingly.

WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR EACH OF THE MATTERS IDENTIFIED IN THE NOTICE AND DESCRIBED IN THIS CIRCULAR. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN THEIR JUDGMENT MAY DETERMINE. AS OF THE DATE OF THIS CIRCULAR, MANAGEMENT OF THE CORPORATION KNOWS OF NO

SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS TO COME BEFORE THE MEETING OTHER THAN THE MATTERS REFERRED TO IN THE NOTICE.

VOTING INFORMATION – VOTING AT THE MEETING

The Meeting will be hosted virtually via live audio webcast and teleconference at:

<https://us02web.zoom.us/j/86180892748?pwd=QkRhTE10YitiWVlBWXdSIgyN3F3Zz09>

Meeting ID: 861 8089 2748

Passcode: 743038

ADVICE TO BENEFICIAL SHAREHOLDERS

The Shareholder materials are being sent to both registered and non-registered owners of the Common Shares. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. **The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, *not* be registered in the Shareholder’s name. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such 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). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholder by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Common Shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions**

respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the VIF provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Circular and the accompanying Form of Proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

APPROVAL OF MATTERS

Unless otherwise noted, approval of matters to be placed before the Meeting is by an "ordinary resolution", which is a resolution passed by a simple majority (50% plus 1) of the votes cast by Shareholders of the Corporation entitled to vote and present in person or represented by proxy at the Meeting.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors, appointment of auditors, or the re-approval of the stock option plan.

QUORUM

The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders if two (2) or more persons present in person or represented by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of the Record Date, the Corporation has 51,728,630 Common Shares issued and outstanding.

To the knowledge of the directors and the executive officers of the Corporation, as at the Record Date, no person or company beneficially owns, directly or indirectly, or controls or directs, carrying ten percent (10%) or more of the voting rights attached to any class of voting securities of the Corporation other than as indicated below:

Name	Number of Common Shares Owned and/or Controlled as at the Record Date	Percentage of Outstanding Common Shares
Greg Duras	6,126,794	11.84%

BUSINESS OF THE MEETING

Other than in respect of the election of directors and approval of the Stock Option Plan and as otherwise disclosed herein, no informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (and each of their associates or affiliates) has had any direct or indirect material

interest in any transaction involving the Corporation since April 1, 2022 or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries.

1. Financial Statements

The (i) financial statements for the financial year ended December 31, 2022, together with the auditor's report thereon, will be presented to Shareholders for review at the Meeting and were mailed to Shareholders with the Notice of Meeting and this Circular. No vote by the Shareholders is required with respect to this matter.

2. Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of McGovern Hurley LLP as auditors of the Corporation until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

3. Election of Directors

The Board currently consists of five (5) directors. The Corporation has nominated five (5) persons (the "Nominees") for election as directors of the Corporation, who will hold office until the next annual meeting of the Corporation or until his or her successor is elected or appointed. At the Meeting, Shareholders will be asked to elect these Nominees as directors of the Corporation. **The persons named in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director.**

As the Corporation has adopted a Majority Voting Policy, the process for voting for election of each director will be by individual voting and not by slate. The Shareholders can vote for or withhold from voting on the election of each director on an individual basis. See "About the Board" for more information on our Majority Voting Policy.

Director Profiles

Each of the five nominated directors is profiled below, including his or her background and experience, committee memberships, share ownership and other public company directorships. All of the director nominees are currently directors of the Corporation.

Name, Residence and Position with the Corporation	Principal Occupation During the Past Five (5) Years	Director Since	Number of Common Shares Owned
Greg Duras Toronto, Ontario <i>Chief Executive Officer and Director</i>	Mr. Duras has over 20 years of experience working in the resource sector and over 15 years' experience working as the Chief Financial Officer for various publicly traded companies most recently working for Savary Gold Corp., a gold exploration company operating in Burkina Faso which was acquired by Semafo Inc. for a substantial premium and Avion Gold Corp. which had mining operations in Mali and Burkina Faso. Mr. Duras has an abundance of international mining experience, having served as Vice 35 President of Finance and Administration at S.C. Rosia Montana Gold Corporation, a mineral exploration and mining development company based in Romania, and more recently working in the resource sector based Seville, Spain as Chief Finance Officer. Mr. Duras has a Bachelor of Administration from Lakehead University and is a Certified Professional Accountant.	April 13, 2022	6,126,794

Joaquin Merino Seville, Spain <i>Managing Director, Spain & Director</i>	Mr. Merino is a professional geologist with 20 years of experience in the mining industry. He was previously Vice President, Exploration for Primero Mining Corp. and before that Vice President Exploration for Apogee Minerals Ltd. From 2003 to 2006, Mr. Merino was the exploration manager for Placer Dome at Porgera Mine and prior to that chief mine geologist at Hecla Mining's La Camorra mine. Mr. Merino has extensive international experience in South America, Europe and Asia-Pacific regions. Mr. Merino holds a Masters Degree in Sciences from Queens University (Ontario), and a Bachelors Degree in Geology from the University of Seville (Spain). Mr. Merino is a member of the Association of Professional Geoscientists of Ontario.	April 13, 2022	3,539,846
Deepak Varshney ⁽¹⁾ Vancouver, British Columbia <i>Director</i>	Deepak Varshney is a professional geologist and has over 14 years of experience in the capital markets and mineral exploration and development sector. He is presently CEO and a Director of Usha Resources Ltd., a lithium and gold-focused junior mining exploration company, and CEO and Director of Xander Resources Inc., a nickel and gold-focused junior mining exploration company. He has developed long-standing relationships with an extensive network of high net worth retail investors, brokers, and private equity groups.	August 27, 2021	785,000
Brigitte Linda Marie Berneche ⁽¹⁾ Markham, Ontario <i>Director</i>	Ms. Berneche is a CPA, CA and has 15 years of experience with public companies in the mining and publishing sectors, as well as experience with large accounting firms, specializing in corporate tax. Since 2014, she has dedicated her time to a grass roots charity she created which provides financial assistance to families with children with cerebral palsy. She holds an Honours B.A. from the University of Toronto. She is fluent in French and English and proficient in Spanish. She also sits on the board for Labrador Uranium Inc.	September 28, 2022	Nil
Peter Imhof ⁽¹⁾ Toronto, Ontario <i>Director</i>	Mr. Imhof is a Chartered Investment Manager with over twenty-three (23) years of experience working in the asset management business as a lead manager or co-manager of over \$1.5 billion in assets specializing in the Canadian Small Capitalization sector. Previous roles included Managing Director at Sceptre Investment Counsel (bought by Fiera Capital), Investment Strategist at Sprott Asset Management and Vice President at AGF Management. Mr. Imhof's expertise lies in funding small capitalization companies to take them through their next stage of growth. Over the last fifteen (15) years, Mr. Imhof has been a regular guest on BNN (Business News Network) and frequently quoted in the Globe and Mail, Financial Post as well as other business journals.	April 13, 2022	2,093,338

Note:

(1) Member of Audit Committee.

Corporate Cease Trade Orders, Penalties or Bankruptcies

No proposed director:

1. is, as at the date hereof, or has been, within ten (10) years before the date hereof, a director, chief executive officer or chief financial officer of any company that,

- (i) was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation and which was in effect for a period of more than thirty (30) consecutive days (an “**Order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (iii) while the proposed director was acting in that capacity, or within a year of the proposed director 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;
2. has, within the ten (10) years before the date hereof, 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; or
 3. has been 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, other than penalties for late filing of insider reports; or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

4. Omnibus Incentive Plan

The Board has determined that it is advisable to re-approve the omnibus incentive plan (the “**Omnibus Plan**”), which it believes is in the best interests of the Corporation. As of the Record Date, there is an aggregate of 4,580,000 Options outstanding pursuant to the Existing Option Plan which represents approximately 8.85% of the total issued and outstanding Common Shares.

The Board is of the view that the Omnibus Plan is required in order to provide additional incentive to, and attract and retain, the Service Providers (as such term is defined in the Omnibus Plan) necessary for the Corporation’s long-term success, to encourage executives and/or employees and consultants to further the development of the Corporation and its operations, and to motivate Service Providers.

Pursuant to the policies of the TSXV, the Corporation is required to obtain disinterested Shareholder approval of the Omnibus Plan in connection with the implementation thereof. Accordingly, at the Meeting, the disinterested Shareholders will be asked to pass an ordinary resolution to approve the Omnibus Plan. For this purpose, disinterested Shareholders will include all Shareholders other than insiders of the Corporation to whom Awards may be granted under the Omnibus Plan and each of their respective associates. A copy of the Omnibus Plan is attached hereto as Schedule “A”. Set forth below is a summary of the Omnibus Plan. The following summary is qualified in all respects by the provisions of the Omnibus Plan. Reference should be made to the Omnibus Plan for the complete provisions thereof.

The maximum aggregate number of Common Shares that may be reserved for issuance under the Omnibus Plan pursuant to the exercise of RSUs at any point in time is 5,094,199 unless this Omnibus Plan is amended pursuant to the policies of the TSXV.

Any Common Share which was reserved for issuance pursuant to an Award which Award has been cancelled or terminated in accordance with the terms of the Plan without being paid out as provided for in the Omnibus Plan shall be returned to the Corporation pursuant to the terms of the Omnibus Plan.

Only a Service Provider (as such term is defined in the Omnibus Plan) are eligible to participate in the Omnibus Plan and receive Awards thereunder.

Unless disinterested Shareholder approval is obtained (or unless permitted otherwise by the rules of the TSXV:

- (a) the maximum number of Common Shares which may be reserved for issuance to insiders (as a group) under the Omnibus Plan, together with all other Common Shares issuable under any other equity compensation arrangements then in place, shall not exceed ten percent (10%) of the issued and outstanding Common Shares calculated as of the date of grant of the Award;
- (b) the maximum number of Common Shares that may be made issuable to insiders (as a group), together with all other Common Shares issuable under any other equity compensation arrangements then in place, within a twelve (12) month period, may not exceed ten percent (10%) of the issued and outstanding Common Shares calculated as of the date of grant of the Award; and
- (c) subject to (b) above, the maximum number of Common Shares issuable pursuant to Awards or issued to any one Service Provider (as such term is defined in the Omnibus Plan), together with all other Common Shares issuable under any other equity compensation arrangements then in place, within a twelve (12) month period, shall not exceed five percent (5%) of the issued and outstanding Common Shares calculated on the date of grant of the Award;

The maximum number of Common Shares which may be made issuable to any one Consultant (as such term is defined in the Omnibus Plan), together with all other Common Shares issuable under any other equity compensation arrangements then in place, within a twelve (12) month period, shall not exceed two percent (2%) of the number of issued and outstanding Common Shares as of the date of the grant of the Award.

The following limitations apply to the grant of Awards to Investor Relations Service Providers (as such term is defined in the Omnibus Plan):

- (a) the only Awards that may be granted to Investor Relations Service Providers are Options;
- (b) Options granted to Investor Relations Service Providers will vest:
 - (i) at a minimum over a period of not less than twelve (12) months as to twenty-five percent (25%) on the date that is three months from the date of grant, and a further twenty-five percent (25%) on each successive date that is three (3) months from the date of the previous vesting; or
 - (ii) such longer vesting period as the Board may determine; and
- (c) the maximum number of Common Shares that may be made issuable pursuant to Options granted to Investor Relations Service Providers shall not exceed two percent (2%) of the issued and outstanding Common Shares.

RSU Grants under the Omnibus Plan

The Board may, in its discretion, at any time, and from time to time, grant RSUs to Service Providers as it determines is appropriate, subject to the limitations set out in the Omnibus Plan.

At the time a grant of a RSU is made, the Board may, in its sole discretion, establish performance conditions for the vesting of an RSU (the “**Performance Conditions**”). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one recipient of RSUs.

Except as provided in the Omnibus Plan, RSUs issued pursuant thereto will vest on the later of:

- (a) the Trigger Date (as such term is defined in the Omnibus Plan);
- (b) the date that is one year from the date of grant; and
- (c) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied.

RSUs which do not vest on or before the expiry date of such RSU due to failure to meet Performance Conditions or the cessation of employment will be automatically cancelled, without further act or formality on the part of the Corporation and without compensation by the Corporation. In addition, the Board may, at any time after a grant of a RSU, accelerate the Trigger Date of such RSU.

Subject to the terms of the Omnibus Plan, the Corporation, in its discretion and as may be determined by the Board, will pay out vested RSUs issued under the Omnibus Plan and credited to the account of a recipient of an RSU by paying or issuing (net of any applicable withholding tax) to such recipient, on or subsequent to the Trigger Date but no later than the expiry date of such vested RSU:

- (a) Subject to regulatory approval, one (1) Common Share for such whole vested RSU. Fractional Common Shares shall not be issued and where a RSU recipient would be entitled to receive a fractional Common Share in respect of any fractional vested RSU, the Corporation shall pay to such RSU recipient, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Trigger Date of such fractional Common Share. Each Common Share issued by the Corporation pursuant to this Plan shall be issued as fully paid and non-assessable, or
- (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested Restricted Share Unit; and
- (c) notwithstanding the foregoing, the Vesting Date Value must not be less than the Discounted Market Price as at the Restricted Share Unit Grant Date.

Pursuant to the terms of the Omnibus Plan, the Corporation shall not issue Awards to any Service Provider who is an insider of the Corporation where such issuance would result in:

- (a) the total number of Common Shares issuable at any time under the Omnibus Plan to insiders, or when combined with all other Common Shares issuable to insiders under any other equity compensation arrangements then in place, exceeding the maximum grants set forth herein, or ten percent (10%) of the total number of issued and outstanding Common Shares of the Corporation on a non-diluted basis; and
- (b) the total number of Common Shares that may be issued to insiders during any one (1) year, or when combined with all other Common Shares issued to insiders under any other equity compensation arrangements then in place, exceeding the maximum grants

set forth herein, or ten percent (10%) of the total number of issued and outstanding Common Shares of the Corporation on a non-diluted basis.

Where the Corporation is precluded from issuing Common Shares to an insider of the Corporation, the Corporation will pay to the relevant insider a cash amount equal to the Vesting Date Value (as such term is defined in the Omnibus Plan) as at the Trigger Date of the RSU.

Unless the Board at any time otherwise determines, all unvested RSUs held by any recipient thereof and all rights in respect thereof will be automatically cancelled, without any further act or formality on the part of the Corporation and without compensation, immediately in the event of termination of employment or removal from service by the Corporation for cause, the retirement and/or resignation of the RSU recipient.

Unless the Board at any time otherwise determines, unvested RSUs will immediately vest on the date the RSU recipient ceases to be a Service Provider if an RSU recipient ceases to be a Service Provider for any of the following reasons:

- (a) death or disability;
- (b) the termination of employment or removal from service by the Corporation without cause; and
- (c) the termination of employment by the RSU recipient other than by way of retirement and/or voluntary resignation by the RSU recipient.

In the event of a Change of Control (as such term is defined in the Omnibus Plan), all RSUs credited to an account of a recipient that have not otherwise previously been cancelled pursuant to the terms of the Omnibus Plan shall vest on the date on which the Change of Control occurs (the “**Change of Control Date**”). Within thirty (30) days after the Change of Control Date, but in no event later than the expiry date, the RSU recipient shall, at the discretion of the Board, receive either:

- (a) Common Shares, or
- (b) a cash payment equal in amount to: (i) the number of RSUs that vested on the Change of Control Date; multiplied by (b) the Fair Market Value (as such term is defined in the Omnibus Plan) on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Corporation.

Option Awards under the Omnibus Plan

No Options shall be granted after the expiration of ten (10) years from the earlier of the date of the adoption of the Omnibus Plan by the Corporation or the approval of the Omnibus Plan by Shareholders.

Employees of the Corporation are the only class of persons eligible to receive Options under the omnibus Plan.

Without limiting the powers of the Board hereunder, 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, amend, suspend, terminate or discontinue the Omnibus Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Omnibus Plan will,

without the prior written consent of all optionholder, alter or impair any Option previously granted under the Omnibus Plan unless the alteration or impairment occurred as a result of a change in the policies of the TSXV or the Corporation's tier classification thereunder; and

- (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.

Subject to the policies of the TSXV and the prior receipt of any necessary regulatory approval, the Board may in its absolute discretion, amend or modify the Omnibus Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) amendments of a housekeeping nature;
- (c) it may change the vesting provisions of an Award granted hereunder, subject to prior written approval of the TSXV, if applicable;
- (d) it may change the termination provision of an Award granted hereunder which does not entail an extension beyond the lesser of the original expiry date or twelve (12) months from termination;
- (e) it may make amendments necessary as a result in changes in securities laws applicable to the Corporation or any requested changes by the TSXV;
- (f) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (g) it may make such amendments as reduce, and do not increase, the benefits of the Omnibus Plan to Service Providers.

Subject to the Plan, the exercise price of an Option may be amended only if at least six (6) months have elapsed since the later of: (i) the date of commencement of the term of the Option, (ii) the date the Common Shares commenced trading on the TSXV, or the (iii) date of the last amendment of the exercise price of the respective Options.

An Option must be outstanding for at least one year before the Corporation may extend its term.

Any proposed amendment to the terms of an Option must be approved by the TSXV prior to the exercise of such Option.

Subject to any other provision of the Omnibus Plan, the vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Omnibus Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Corporation as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation during the vesting period; or

- (b) the Service Provider remaining as a director of the Corporation during the vesting period.

In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a person engaged in Investor Relations Activities (as defined in the terms of the Omnibus Plan).

Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Corporation that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an optionholder, any vested Option held by him at the date of death will become exercisable by the optionholder's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionholder and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to (i) director and/or officer of the Corporation will expire ninety (90) days and (ii) to all others including, but not limited to, employees and/or consultants of the Corporation will expire thirty (30) days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the optionholder at any time prior to expiry of the Option) after the date the optionholder ceases to be employed by or provide services to the Corporation, and only to the extent that such Option was vested at the date the optionholder ceased to be so employed by or to provide services to the Corporation; and
- (c) in the case of an optionholder being dismissed from employment or service for cause, such optionholder's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Subject to terms of the Omnibus Plan, all Options will be exercisable only by the optionholder to whom they are granted and will not be assignable or transferable.

The Corporation is required to obtain the approval of its Shareholders with respect to any security compensation plan at the Corporation's annual meeting of Shareholders. The Board recommends that disinterested Shareholders vote **FOR** the Omnibus Plan Resolution. To be effective, the Omnibus Plan Resolution requires the approval of a majority of the votes cast thereon by disinterested Shareholders present or represented by proxy at the Meeting, excluding the votes attaching to Common Shares beneficially owned by insiders of the Corporation to whom Awards may be granted under the Omnibus Plan and each of their respective associates. In determining whether such approval has been obtained, the votes attaching to the approximately 12,544,978 Common Shares collectively held, directly or indirectly, by the insiders of the Corporation to whom Awards may be granted under the Omnibus Plan, and each of their respective associates, will be excluded. **Unless the disinterested Shareholder directs that his or her Common Shares are to be voted against the Omnibus Plan Resolution, the persons named in the Form of Proxy intend to vote FOR the Omnibus Plan Resolution.**

The text of the Omnibus Plan Resolution to be submitted to Shareholders at the Meeting is set forth below:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF WESTERN METALLICA RESOURCES CORP. (THE "CORPORATION") THAT:

- 1) the omnibus incentive plan of the Corporation in the form attached as Schedule "A" to the management information circular dated April 21, 2023, with such amendments thereto as may be made from time to time by the board of directors of the Corporation,

without further approval of the shareholders of the Corporation, in order to conform with the policies or requirements of the TSX Venture Exchange or any other stock exchange on which the Corporation's common shares are listed at such applicable time, be and is hereby ratified, confirmed and approved; and

- 2) any director and/or officer of the Corporation be and such director or officer of the Corporation is hereby authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered any and all such documents and instruments and to do or to cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to fulfil the intent of this resolution.”

5. Other Business

While there is no other business other than that business mentioned in the Notice to be presented for action by the Shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder. The enclosed Form of Proxy confers discretionary authority upon the persons authorized to act thereunder to vote on any modifications or amendments concerning the businesses mentioned in the Notice or any other business in accordance with his best judgment.

CORPORATE GOVERNANCE

The Corporation and the Board recognize the importance of corporate governance in effectively managing the Corporation, protecting employees and shareholders, and enhancing shareholder value.

The Board fulfills its mandate directly at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks that the Corporation faces.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements for TSXV listed issuers. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate.

Ethical Business Conduct

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board had not adopted a written code of business conduct and ethics, however, the Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In particular, the Board ensure that directors exercise independent judgement in considering transactions and certain activities of the Corporation by holding in camera sessions of independent directors, when applicable, and by having each director declare his or her interest in a particular transaction and abstaining from voting on such matters, where applicable.

Code of Conduct

The Board has adopted a Code of Business Conduct and Ethics (the “**Code**”) for its directors, officers, consultants and employees. The Board has responsibility for monitoring compliance with the Code by

ensuring all directors, officers, consultants and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to the Corporation’s legal counsel or chair of the Corporation’s audit committee (the “**Audit Committee**”).

The Board takes steps to ensure that directors, officers, consultants and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer, consultant or employee of the Corporation has a material interest, which include ensuring that directors, officers, consultants and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Corporation’s directors, Chair and Chief Executive Officer (“**CEO**”) regarding any potential conflicts of interest.

Whistleblower Policy

The Corporation has adopted a Whistleblower Policy that allows its directors, officers, consultants and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violations or concerns on a confidential and anonymous basis. Reporting a violation of the Code is done by informing a member of the Audit Committee on an anonymous basis, who then investigates each matter so reported and takes corrective and disciplinary action, if appropriate. Reporting concerns regarding financial statement disclosure or other appropriate issues are to be forwarded in a sealed envelope to the Chairman of the Audit Committee who then investigates each matter reported and takes corrective and disciplinary action, if appropriate.

Anti-Bribery and Anti-Corruption Policy

The Corporation has adopted an Anti-Bribery and Anti-Corruption Policy that outlines the requirements that must be fulfilled by all employees, consultants, officers, and directors of the Corporation, as well as any third party working for or acting on behalf of the Corporation. These requirements include the prohibition of bribing government officials and making facilitation payments. The Anti-Bribery and Anti-Corruption Policy also provides the Corporation’s employees with further clarity regarding books and records transparency, as well as the conditions with respect to gift giving to government officials, political contributions, charitable contributions, third party oversight and due diligence, internal controls and management’s responsibility to promote and create awareness of the Anti-Bribery and Anti-Corruption Policy.

A copy of the Corporation’s governance policies may be found under the governance tab of the Corporation’s website and upon request to the Corporation by contacting Tara Asfour, the Corporation’s manager of investor relations, by email to tasfour@westernmetallica.com or by calling toll-free at 1-888-787-0888.

ABOUT THE BOARD

Independence of the Board

The Board is currently comprised of five members; their independence is as follows:

Director	Independent	Reason for Non-Independence
Greg Duras	No	CEO, Corporate Secretary and Director of the Corporation
Joaquin Merino	No	Managing Director, Spain of the Corporation
Deepak Varshney	Yes	N/A

Brigitte Berneche	Yes	N/A
Peter Imhof	No	Executive Chair of the Corporation

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- under the by-laws of the Corporation, any two directors may call a meeting of the Board; and
- the Board practice is to hold in-camera meetings with the independent directors at the end of each Board or committee of the Board meeting to the extent required.

Nomination of Directors

The Board is solely responsible for identifying new candidates for nomination to the Board. The process by which candidates are identified is through recommendations presented to the Board, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation.

Compensation

The process for determining executive compensation is relatively informal, in view of the size and stage of the Corporation and its operations. The Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. Upon the recommendation of senior management, the Board of Directors may at its discretion award either a cash bonus or security compensation for high achievement or for accomplishments that the Board of Directors deem as worthy of recognition.

The Board considers and discusses proposals received from its members and the CEO and/or Chair of the Corporation regarding the compensation of management and the directors.

Board Assessments

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Chairman of the Board encourages discussion amongst the Board as to evaluation of the effectiveness of the Board as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

Majority Voting Policy

The Corporation has adopted a Majority Voting Policy to provide a meaningful way for the Corporation's shareholders to hold individual directors accountable and to require the Corporation to closely examine directors that do not have the support of a majority of Shareholders. The policy provides that forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee and that where a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered not to have received the support of the Shareholders, even though duly elected as a matter of corporate law. Pursuant to the policy, such a nominee will forthwith submit his or her resignation to the Board, such resignation to be effective on acceptance by the Board. The Board will then establish an advisory committee (the "**Committee**") to which it shall refer the resignation for consideration. In such circumstances, the Committee will make a recommendation to the Board as to the director's suitability to continue to serve as a director after reviewing, among other things, the results of the voting for the nominee and the Board will consider such recommendation. This policy does not apply where an election involves a proxy battle (i.e., where proxy

material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board).

Orientation and Continuing Education

The Board will be responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business.

Directorships

None of the current directors of the Corporation presently serve on the board of directors of any other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction, other than as set out below:

Name of Director	Name of Other Issuer
Joaquin Merino	Emerita Resources Corp.
Deepak Varshney	AsiaBaseMetals Inc., Mantra Exploration Inc., Totec Resources Ltd., Usha Resources Ltd., Xander Resources Inc.
Brigitte Berneche	Labrador Uranium Inc.

AUDIT COMMITTEE

The purposes of the Corporation's audit committee (the "**Audit Committee**") are to assist the Board's oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function. Please see Schedule "B" for the Audit Committee Charter.

Audit Committee Composition

The following are the members of the Audit Committee, as at the date hereof:

Name	Independence	Financially Literacy
Brigitte Berneche	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Peter Imhof	Not independent ⁽¹⁾	Financially literate ⁽¹⁾
Deepak Varshney	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

(1) As defined by NI 52-110.

Relevant Education and Experience

All of the members of the Audit Committee have been either directly involved in the preparation of the financial statements, filing of the quarterly and annual financial statements, dealing with the auditors, or as a member of the audit committee. All members have the ability to read, analyze, and understand the complexities surrounding the issuance of financial statements. The following sets out the education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee.

Brigitte Berneche: is a CPA, CA and has 15 years of experience with public companies in the mining and publishing sectors, as well as experience with large accounting firms, specializing in corporate tax. Since 2014, she has dedicated her time to a grass roots charity she created which provides financial assistance to families with children with cerebral palsy. She holds an Honours B.A. from the University of Toronto. She is fluent in French and English and proficient in Spanish. She also sits on the board for Labrador Uranium Inc.

Peter Imhof: Mr. Imhof is a Chartered Investment Manager with over twenty-three (23) years of experience working in the asset management business as a lead manager or c-manager of over \$1.5 billion in assets specializing in the Canadian Small Capitalization sector. Previous roles included Managing Director at Sceptre Investment Counsel (bought by Fiera Capital), Investment Strategist at Sprott Asset Management and Vice President at AGF Management. Mr. Imhof's expertise lies in funding small capitalization companies to take them through their next stage of growth. Over the last fifteen (15) years, Mr. Imhof has been a regular guest on BNN 36 (Business News Network) and frequently quoted in the Globe and Mail, Financial Post as well as other business journals.

Deepak Varshney: Mr. Varshney holds a Bachelor of Sciences degree from Simon Fraser University in British Columbia. Mr. Varshney is a professional geologist with over ten (10) years of experience in the capital markets and mineral exploration and development sector. He is presently Chief Executive Officer and a Director of Usha Resources Ltd., a gold and copper-focused junior mining exploration company, and Chief Executive Officer and Director of Xander Resources Inc., a gold and nickel-focused junior mining exploration company. He has developed long-standing relationships with an extensive network of high net worth retail investors, brokers and private equity groups.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on either (a) an exemption in section 2.4 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators (the "Instrument"); or (b) an exemption from the Instrument, in whole or in part, granted under Part 8 (Exemptions) of the Instrument. As the Corporation is listed on the TSX Venture Exchange, it is relying on the exemption provided in section 6.1 of the Instrument in respect of part 5 (Reporting Obligations) of the Instrument.

External Auditor

The following table sets out the audit and audit-related fees billed by the Corporation's auditors for the years ended March 31, 2022 and December 31, 2022

Service	March 31, 2022	December 31, 2022
Audit Fees	\$18,500	75,000
Audit-Related Fees ⁽¹⁾	\$10,000	8,000
Tax Fees ⁽²⁾	Nil	21,900
Other Fees ⁽³⁾	\$6,000	32,755
Total:	34,500	137,655

Notes:

- (1) Fees charged for review of the financial statements
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) All other fees represent amounts paid for qualifying transaction consent and auditors technology fee.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Compensation of Directors

The Board determines the compensation payable to the directors of the Corporation and reviews such compensation periodically throughout the year. For their role as directors of the Corporation, each director of the Corporation who is not a Named Executive Officer (as defined herein) may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Corporation who are not Named Executive Officers were compensated by the Corporation or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Corporation.

Compensation of Named Executive Officers

For the financial year ended December 31, 2022, the objectives of the Corporation's compensation strategy was to ensure that compensation for its NEOs (as defined below) is sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Corporation in achieving its goals.

The process for determining executive compensation is relatively informal, in view of the size and stage of the Corporation and its operations. Executive officers are involved in the process and make recommendations to the Board which considers approves the discretionary components (e.g. cash bonuses) of the annual compensation of senior management. Except as otherwise described below, the Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deem as worthy of recognition.

Compensation for the NEOs is composed primarily of three components: base fees, performance bonuses and stock based compensation. In establishing the levels of base fees, performance bonuses and the award of stock options, the Board takes into consideration a variety of factors, including the financial and operating performance of the Corporation, and each NEO's individual performance and contribution towards meeting corporate objectives, responsibilities and length of service.

Salary

Amounts paid to executive officers as base salary, including merit salary increases, are determined in accordance with an individual's performance and salaries in the marketplace for comparable positions. However, certain of the NEOs provide their services in similar capacities to other reporting issuers, in addition to the Corporation. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective NEO and the Corporation and is therefore heavily discretionary.

Bonus

The Corporation's cash bonus awards are designed to reward an executive for the direct contribution which he or she can make to the Corporation. NEOs are entitled to receive discretionary bonuses from time to time as determined or approved by the Board, upon the recommendation of the Chief Executive Officer, as applicable. The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board.

Security Compensation

As of the Record date the Corporation's Stock Option Plan (as defined below) provides for the granting of stock options to directors, officers and employees. The purpose of the Stock Option Plan is to attract, retain and motivate individuals with the requisite training, experience and leadership to carry out key roles with the Corporation, to advance the interests of the Corporation by providing such individuals with appropriate compensation and to strengthen the alignment of the option holders' interest with the interests of Shareholders.

Indebtedness of Directors and Officers

As at the date of this Circular, and during the financial year ended December 31, 2022, no director or executive officer of the Corporation or Nominee (as defined herein) (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended December 31, 2022 the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

Directors' and Officers' Insurance and Indemnification

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of \$5,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended December 31, 2022, in respect of such insurance was \$19,980.

The Corporation has not, as yet, adopted a policy restricting its Named Executive Officers or directors from purchasing instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officers or directors.

In light of the Corporation's size, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

Summary Compensation Table

The following table summarizes the compensation paid during the two most recently completed financial years in respect of the individuals who were carrying out the role of the CEO and Chief Financial Officer ("CFO") of the Corporation (collectively, the "**Named Executive Officers**" or "**NEOs**") and each of the directors of the Corporation. The CEO and CFO are the only NEOs of the Corporation as the Corporation does not employ any other individuals whose total compensation is greater than \$150,000.

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 (\$)
Greg Duras, CEO, Corporate Secretary and Director ^{(1) (2)}	2022	90,000	40,000	N/A	N/A	3,509	133,509
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Soo Whan Kim, Chief Financial Officer ^{(1) (3)}	2022	13,750	N/A	N/A	N/A	1,754	3,124
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Khalid Naeem, Former Chief Financial Officer ^{(1) (3)}	2022	\$5,375	N/A	N/A	N/A	N/A	\$5,375
	2021	\$1,250	N/A	N/A	N/A	N/A	\$1,250
Joaquin Merino, Managing Director Spain and Director ^{(1) (2)}	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Brigitte Berneche Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Peter Imhof, Executive Chair & Director ⁽²⁾	2022	90,000	40,000	N/A	N/A	3,509	133,509
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Deepak Varshney, Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Compensation has been paid as consulting fees under the independent contractor agreement with the Named Executive Officer as described under the heading “Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts” of this Circular.
- (2) Effective April 19, 2022, following the RTO, Mssrs. Duras, Merino and Imhof entered into consulting agreements with the Corporation in relation to their executive roles.
- (3) Mr. Kim was appointed as the Chief Financial Officer of the Corporation on September 29, 2022 replacing Mr. Naeem.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Corporation for services provided or to be provided, directly or indirectly, to the Corporation in the most recently completed financial year.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Greg Duras, Corporate Secretary and Director	Stock Options	800,000	May 25, 2022	\$0.20	\$0.18	\$0.07	May 25, 2027

Soo Whan Kim, ⁽¹⁾ Chief Financial Officer	Stock Options	300,000	Oct 20, 2022	\$0.20	\$0.09	\$0.07	Oct 20, 2027
Khalid Naeem, ⁽¹⁾ Former Chief Financial Officer	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Joaquin Merino, Managing Director, Spain and Director	Stock Options	800,000	May 25, 2022	\$0.20	\$0.18	\$0.07	May 25, 2027
Brigitte Berneche, ⁽²⁾ Director	Stock Options	200,000	May 25, 2022	\$0.20	\$0.18	\$0.07	May 25, 2027
Peter Imhof, Executive Chair	Stock Options	800,000	May 25, 2022	\$0.20	\$0.18	\$0.07	May 25, 2027
Deepak Varshney, Director	Stock Options	200,000	May 25, 2022	\$0.20	\$0.18	\$0.07	May 25, 2027

Notes:

(1) Mr. Kim was appointed as the Chief Financial Officer of the Corporation on September 29, 2022 replacing Mr. Naeem.

Exercise of Compensation Securities

During the most recently completed financial year, no NEO or director of the Corporation exercised any compensation securities other than Mr. Deepak Varshney, a director of the Corporation, who exercised 70,000 stock options, exercisable at \$0.05 and 65,000 stock options exercisable at \$0.10 on April 26, 2022.

As of the Record Date, Options have been granted pursuant to the Corporation's Omnibus Incentive Plan and in accordance with the rules of the TSX Venture Exchange.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of December 31, 2022
Equity compensation plans approved by security holders	4,580,000	\$0.20	592,863
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	4,580,000	\$0.20	592,863

Employment, Consulting and Management Agreements

The following describes the respective consulting and employment agreements entered into by the Corporation and its NEOs as of the date hereof.

Name	Monthly Fees	Severance on Termination	Severance on Change of Control ⁽¹⁾
Greg Duras, Corporate Secretary, CEO and Director	\$10,000	Twelve (12) months' fees	Twenty-four (24) months base fees plus aggregate cash bonuses paid in the Twenty-four (24) months prior to the Change of Control.
Soo-Whan Kim Chief Financial Officer	\$5,500	Three (3) months fees	Six (6) months base fees plus aggregate cash bonuses paid in the Six (6) months prior to the Change of Control

Joaquin Merino, Managing Director Spain and Director ⁽¹⁾	\$10,000	Six (6) months fees	Twelve (12) months base fees plus aggregate cash bonuses paid in the Twelve (12) months prior to the Change of Control.
Peter Imhof, Executive Chair	\$10,000	Twelve (12) months fees	Twenty-four (24) months base fees plus aggregate cash bonuses paid in the Twenty-four (24) months prior to the Change of Control.

Notes:

(1) Severance upon a change of control becomes payable in the event of a Change of Control of the Corporation and within one year following the date of the Change of Control the Corporation either terminates the executive officer's appointment or alters the executive officer's position and/or responsibilities in a materially adverse manner.

For the purpose of the agreements set forth above, "Change of Control" shall mean the occurrence of any one or more of the following events: (1) the acquisition, directly or indirectly, by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the Canada Business Corporations Act) or group of persons acting jointly or in concert, as such terms are defined in the Securities Act, Ontario of: (A) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise thirty percent (30%) or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation; (B) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise thirty percent (30%) or more of the votes entitled to be cast at a meeting of the shareholders of the material subsidiary; or (C) other than in the ordinary course of business of the Corporation, more than thirty percent (30%) of the material assets of the Corporation, including the acquisition of more than thirty percent (30%) of the material assets of any material subsidiary of the Corporation; or (2) 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 do not constitute a majority of the Board;

Summary of Termination Payments

The estimated incremental payments, payables and benefits that might be paid to the officers pursuant to the above noted agreements in the event of termination without cause or after a Change of Control (assuming such termination or Change of Control is effective as of the Record Date) are detailed below:

Named Executive Officer	Termination not for Cause (\$)	Termination on a Change of Control Approved (\$)
Greg Duras		
Salary and Quantified Benefits	\$120,000	\$240,000
Bonus	N/A	\$50,000
Total	\$120,000	\$290,000
Soo-Whan Kim		
Salary and Quantified Benefits	\$16,500	\$33,000

Named Executive Officer	Termination not for Cause (\$)	Termination on a Change of Control Approved (\$)
Bonus	N/A	N/A
Total	\$16,500	\$33,000
Joaquin Merino		
Salary and Quantified Benefits	\$60,000	\$120,000
Bonus	N/A	\$50,000
Total	\$60,000	\$170,000
Peter Imhof		
Salary and Quantified Benefits	\$120,000	\$240,000
Bonus	N/A	\$50,000
Total	\$120,000	\$290,000

Interest of Informed Persons in Material Transactions

No person who has been a director or executive officer of the Corporation, nor any proposed nominee for director of the Corporation, nor any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than ten percent (10%) of the issued and outstanding Common Shares, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the Corporation's last completed financial year or proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries.

ADDITIONAL INFORMATION AND CONTACT INFORMATION

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the financial year ended December 31, 2022, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from Tara Asfour the company manager of investor relations by email to tasfour@westernmetallica.com or by calling toll-free at 1-888-787-0888.

Board of Directors Approval

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Greg Duras"

Chief Executive Officer

Toronto, Ontario
April 21, 2023

SCHEDULE "A"

WESTERN METALLICA RESOURCES CORP.

**OMNIBUS INCENTIVE PLAN
10% Rolling Stock Option and 10% Fixed Restricted Share Unit**

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**WESTERN METALLICA RESOURCES CORP.
OMNIBUS INCENTIVE PLAN**

Western Metallica Resources Corp. (the “**Company**”) hereby establishes an omnibus incentive plan for certain qualified Directors, Officers, Employees or Consultants of the Company or any of its Subsidiaries.

INTERPRETATION

Definitions.

In this Plan:

“**Affiliate**” of any Person means a Person who would be an affiliated entity of such first mentioned Person for purposes of National Instrument 45-106 *Prospectus Exemptions* as of the date of this Plan;

“**Applicable Withholding Tax**” has the meaning set forth in section 4.7;

“**Associate**” has the meaning set out in the Securities Act;

“**Award**” means an Option or a Restricted Share Unit;

“**Award Payment**” means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;

“**Black-Out Period**” means the period of time when, pursuant to any policies of the Company or any resolution of the Board, any Shares may not be traded by certain persons as designated by the Company (including a holder of any Restricted Share Unit and/or Option), because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);

“**Board**” means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Restricted Share Units and/or Options under this Plan;

“**Change of Control**” means

- (i) any Merger and Acquisition Transaction in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are to be transferred to a Person or Persons (other than any of its Affiliates) different from the Persons holding those securities immediately prior to such transaction and the composition of the Board following such transactions is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company following the transaction;
- (ii) any Merger or Acquisition Transaction, directly or indirectly, by any Person or related group of Persons (other than the Company or a Person that directly or indirectly controls, is controlled by, or is under a common control with, the Company and other than by any of its Affiliates) involving a change in the beneficial

ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;

- (iii) any acquisition, directly or indirectly, by a Person or related group of Persons of the right to appoint a majority of the Directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company (other than any of its Affiliates);
- (iv) any Merger or Acquisition Transaction involving the disposition of all or substantially all of the assets of the Company; and
- (v) a complete liquidation or dissolution of the Company;
- (vi) provided, however, that a Change in Control shall not be deemed to have occurred if such Change in Control results solely from the issuance, in connection with a bona fide financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

"Code" means the U.S. Internal Revenue Code of 1986, as amended;

"Committee" means the Board or, if the Board so determines in accordance with 0, the Committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;

"Company" means Western Metallica Resources Corp., and includes any successor company thereto;

"Consultant" means, in relation to the Company, an individual or Consultant Company, other than an Employee, Officer or Director, that:

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution of securities;
- (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company; and
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company;

"Consultant Company" means a Consultant that is a company;

"Director" means a member of the Board or of the board of directors of a subsidiary of the Company;

"Discounted Market Price" has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

"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 Shares beneficially owned by Insiders who are Service Providers or their Associates;

"Employee" means an individual who meets one of the following requirements:

- (i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source) or have taxes withheld for the United States Internal Revenue Service (IRS);
- (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;

“Exchange” means the TSX, the TSXV, or any other stock exchange on which the Shares are then listed for trading, as applicable;

“Exchange Hold Period” has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

“Fair Market Value” (FMV) means:

- (i) as of a particular date, for the purpose of calculating the applicable Vesting Date Value and Award Payout for Restricted Share Units,
- (ii) if the Shares are listed on the TSX Venture, the greater of: (i) the weighted average of the trading price per Share on the TSX Venture for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date,
- (iii) if the Shares are listed on the TSX, the volume weighted average price per Share traded on the TSX over the last five trading days preceding that date;
- (iv) if the Shares are not listed on the TSX or the TSX Venture, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period; or
- (v) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (vi) for the purpose of calculating the FMV of the Option Exercise Price, the closing sales price on most recent trade date immediately prior to the valuation date provided such trade date is no more than thirty (30) days prior to the valuation date. If there has been no trade date within such thirty (30) day period, the fair market value shall be determined in good faith by the Board;

“Incentive Stock Option” (ISO) means an Option which is intended to qualify as an incentive stock option under Section 422 of the Code;

“Insider” means an individual who meets one of the following requirements:

- (i) a Director or Officer of the Company;

- (ii) a Director or Officer of a company that is an Insider or Related Entity of the Company;
- (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company; and
- (iv) the Company itself if it holds any of its own securities;

“Investor Relations Service Providers” means a Consultant that conducts, or a Director, Officer or Employee whose principal duty it is to conduct, Investor Relations Activities;

“Investor Relations Activities” has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

“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;

“Market Price” has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

“Merger and Acquisition Transaction” means:

- (i) any merger or consolidation;
- (ii) any acquisition;
- (iii) any amalgamation;
- (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
- (v) any arrangement or other scheme of reorganization;

“Non-Statutory Stock Option” (NSO) means an Option which does not qualify as an Incentive Stock Option;

“Officer” means an individual who is an officer of the Company or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;

“Option” means the right to purchase Plan Shares granted hereunder to a Service Provider;

“Option Certificate” means the certificate evidencing the grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule B attached hereto;

“Option Commitment” has such meaning as more particularly described in 0;

“Option Effective Date” for an Option means the date of grant thereof by the Board;

“Option Exercise Price” means the amount payable per Share on the exercise of an Option, as determined in accordance with the terms hereof;

“Option Expiry Date” means the date on which an Option lapses as specified in the Option Commitment thereof or in accordance with the terms of this Plan;

“Optioned Shares” means Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

“Optionee” means the recipient of an Option hereunder;

“Outstanding Shares” means at the relevant time, the number of issued and outstanding Shares of the Company at that time.

“Participant” means a Service Provider that becomes an Optionee;

“Person” means an individual, body corporate, partnership, joint venture, limited liability company or trust and the heirs, beneficiaries, executors, legal representatives or administrators of an individual;

“Performance Conditions” means conditions defined by the Board that must be met in order for Restricted Share Units to vest.

“Plan” means this Omnibus Incentive Plan, the terms of which are set out herein or as may be amended from time to time;

“Plan Shares” means the total number of Shares which may be reserved for issuance under this Plan;

“Regulatory Approval” means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over this Plan and any Restricted Share Units and/or Options issued hereunder;

“Related Entity” means a person that is controlled by the Company. 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;

“Restricted Period” means the period of time: (i) during a Black-Out Period; and (ii) within two Business Days following the end of a Black-Out Period;

“Restricted Share Unit” means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in 0;

“Restricted Share Unit Expiry Date” means the last day of February of the third calendar year after the Restricted Share Unit Grant Date, or such earlier date as may be established by the Board in respect of an Award at the time of grant of the Award;

“Restricted Share Unit Grant Date” means the date of grant of any Restricted Share Unit;

“Restricted Share Unit Recipient” means a Service Provider who may be granted Restricted Share Units from time to time under this Plan;

“Retirement” means the stage of life where the Recipient voluntarily stops working in the same field as his/her expertise and/or works to a lesser degree than was previously engaged;

“Securities Act” means the *Securities Act*, R.S.B.C. 1996, c.418, as amended from time to time;

“Service Provider” means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

“Shares” means the common shares without par value in the capital of the Company;

“Share Compensation Arrangement” includes this Plan, any Restricted Share Units or Options granted under this Plan, and any performance share unit, restricted share unit, securities for services, stock appreciation right, stock option, stock purchase plan, any security purchase from treasury by a Participant which is financially assisted by the Company by any means whatsoever, and any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Company from treasury to a Participant, but does not include:

- (a) arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Company;
- (b) security-based compensation arrangements that are settled solely in cash and/or securities purchased on the secondary market; and
- (c) security-based compensation arrangements that qualify as Shares for Services and Shares for Debt arrangements under the policies of the Exchange;

“Shareholder Approval” means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders’ meeting;

“Take-Over Bid” means a take-over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

“Termination” means, with respect to a Restricted Share Unit Recipient, that the Recipient has ceased to be a Service Provider, other than as a result of Retirement, and has ceased to fulfill any other role as Employee or Officer of the Company or any Related Entity, including as a result of termination of employment, resignation from employment, removal as an Officer, death or Total Disability;

“Total Disability” means, with respect to a Restricted Share Unit Recipient, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Company, the Restricted Share Unit Recipient is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Restricted Share Unit Recipient is reasonable qualified to perform;

“Trigger Date” means, with respect to a Restricted Share Unit, the earliest date set by the Board at the time of grant, and if no date is set by the Board, then February 1 of the third calendar year following the Grant Date unless amended in accordance with 0 that Restricted Share Units may vest provided Performance Conditions have been met;

“TSX” means The Toronto Stock Exchange;

“TSX Venture” means the TSX Venture Exchange;

“TSX Venture Policies” means the rules and policies of the TSX Venture as amended from time to time; and

“Vesting Date Value” means the notional value, as at a particular date, of the Fair Market Value of one Share.

Other Words and Phrases

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

Gender

Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

Administration

The Board will, in its sole and absolute discretion, but taking into account relevant corporate, securities and tax laws,

- (a) interpret and administer this Plan,
- (b) establish, amend and rescind any rules and regulations relating to this Plan; and
- (c) make any other determinations that the Board deems necessary or appropriate for the administration of this Plan.

The Board may correct any defect or any omission or reconcile any inconsistency in this Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or appropriate. Any decision of the Board in the interpretation and administration of this Plan will be final, conclusive and binding on all parties concerned. All expenses of administration of this Plan will be borne by the Company.

Delegation to Committee

All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, any compensation committee of the Board, without limiting the generality of the foregoing, those referred to under 0.

Incorporation of Terms of Plan

Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each Restricted Share Unit and each Option granted under this Plan.

Establishment of the Plan

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.

Effective Date of Plan

Subject to Section 1.1(1)(h), this Plan will be effective from and after September 28, 2022, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Shares of the Company subsequent to September 28, 2022. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units and/or Options to Service Providers as it determines appropriate under this Plan. With respect to Restricted Share Units, any such issued Restricted Share Units may not be paid out in Shares in any event until receipt of the necessary Shareholder Approval of the Company and all Regulatory Approval.

PLAN AWARDS AND LIMITATIONS

Powers of the Board

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.

Shares Reserved

The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan pursuant to the exercise of Options is equal to a maximum of 10% of the Issued Shares of the Issuer.

The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan pursuant to the exercise of Restricted Share Units at any point in time is 5,094,199 Plan Shares, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies.

Any Plan Share which was reserved for issuance pursuant to an Award which Award has been cancelled or terminated in accordance with the terms of the Plan without being paid out as provided for in 0 shall be returned to the Plan.

Recipients

Only Service Providers are eligible to participate in this Plan and receive one or more Awards. It shall be the responsibility of the Company and the Participant to ensure that such Participant is a *bona fide* Service Provider.

Limitations on Awards to any One Person and to Insiders

Unless Disinterested Shareholder Approval is obtained (or unless permitted otherwise by the rules of the Exchange):

- (b) the maximum number of Plan Shares which may be reserved for issuance to Insiders (as a group) under the Plan, together with Shares issuable any other Share Compensation Arrangement, shall not exceed 10% of the Outstanding Shares calculated as of the date of the grant of the Award;
- (c) the maximum number of Plan Shares that may be made issuable to Insiders (as a group) together with Shares issuable any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the Outstanding Shares calculated as of the date of the grant of the Award; and

- (d) subject to Section 1.1(1)(c), the maximum number of Plan Shares that may be made issuable pursuant to Awards or issued to, together with Shares made issuable or issued under any other Share Compensation Arrangement, to any one Service Provider under the Plan, within a 12-month period, shall not exceed 5% of the Outstanding Shares calculated on the date of the grant of the Award or issue of the Plan Shares, as applicable;

Limitation on Awards to Consultants

The maximum number of Plan Shares which may be made issuable to any one Consultant, together with any other Share Compensation Arrangement, within a 12-month period, shall not exceed 2% of the number of Outstanding Shares as of the date of the grant of the Award.

Limitations on Awards to Investor Relations Service Providers

The following limitations apply to the grant of Awards to Investor Relations Service Providers:

- (e) the only Awards that may be granted to Investor Relations Service Providers are Options;
- (f) Options granted to Investor Relations Service Providers will vest:
 - (i) at a minimum over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
 - (ii) such longer vesting period as the Board may determine; and
- (g) the maximum number of Plan Shares that may be made issuable pursuant to Options granted to Investor Relations Service Providers shall not exceed 2% of the Outstanding Shares.

GRANTS OF RESTRICTED SHARE UNITS

Grant

The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Service Providers as it determines is appropriate, subject to the limitations set out in this Plan. In making such grants the Board may, in its sole discretion but subject to Section 1.1(1)(j)(ii), in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

Performance Conditions

At the time a grant of a Restricted Share Unit is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of Restricted Share Units as may be specified by the Committee in the Award (the “**Performance Conditions**”). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one Restricted Share Unit Recipient or to different Restricted Share Unit Recipients.

Vesting

Except as provided in this Plan, Restricted Share Units issued under this Plan will vest on the date (the “**Vesting Date**”) that is the later of:

- (h) the Trigger Date;
- (i) the date that is one year from the date of grant; and
- (j) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied,

provided that

- (i) Restricted Share Units shall only vest on the Trigger Date to the extent that the Performance Conditions or other vesting conditions set out in an Award have been satisfied on or before the Trigger Date;
- (ii) if the date in Section 1.1(1)(h) or Section 1.1(1)(j) occurs during a Restricted Period, the Vesting Date shall be extended to a date which is the earlier of: (i) one business day following the end of such Restricted Period and (ii) the Restricted Share Unit Expiry Date; and
- (iii) no Restricted Share Unit will remain outstanding for any period which exceeds the Restricted Share Unit Expiry Date of such Restricted Share Unit.

Forfeiture and Cancellation upon Restricted Share Unit Expiry Date

Restricted Share Units which do not vest on or before the Restricted Share Unit Expiry Date of such Restricted Share Unit due to failure to meet Performance Conditions or the cessation of employment will be automatically cancelled, without further act or formality and without compensation.

Amendment of Trigger Date

The Board may, at any time after a grant of a Restricted Share Unit, accelerate the Trigger Date of such Restricted Share Unit.

Account

Restricted Share Units issued pursuant to this Plan (including fractional Restricted Share Units, computed to three digits) will be credited to a notional account maintained for each Restricted Share Unit Recipient by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Restricted Share Unit Recipient’s account will be sent by the Company to the Restricted Share Unit Recipient upon request of the Restricted Share Unit Recipient.

Dividend Equivalents

On any date on which a cash dividend is paid on Shares, a Restricted Share Unit Recipient’s account will be credited with the number and type of Restricted Share Units (including fractional Restricted Share Units, computed to three digits) calculated by:

- (k) multiplying the amount of the dividend per Share by the aggregate number of Restricted Share Units that were credited to the Service Provider's account as of the record date for payment of the dividend; and
- (l) dividing the amount obtained in Section 1.1(1)(k) by the Fair Market Value on the date on which the dividend is paid.

Limitations on Issue

Notwithstanding the foregoing, the aggregate number of Restricted Share Units to be credited in respect of the payment of a dividend amount must not, together with all outstanding Restricted Share Units, exceed the Plan maximum set out in Section 2.1. The issuance of any Restricted Share Units under this Section 2.10 that, together with all outstanding Restricted Share Units, exceed the Plan maximum set out in Section 2.1 shall be satisfied by the payment of cash to the Restricted Share Unit Recipient by the Company.

Adjustments and Reorganization

Any adjustment, other than in connection with a security consolidation or security split, to Awards granted or issued under the Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

Notice and Acknowledgement

No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Service Provider will, prior to being granted any Restricted Share Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule A to this Plan, as provided by the Company.

PAYMENTS OF RESTRICTED SHARE UNITS UNDER THIS PLAN

Payment of Restricted Share Units

Subject to the terms of this Plan and, in particular, 0 of this Plan, the Company, in its discretion and as may be determined by the Board, will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Restricted Share Unit Recipient by paying or issuing (net of any Applicable Withholding Tax) to such Restricted Share Unit Recipient, on or subsequent to the Trigger Date but no later than the Restricted Share Unit Expiry Date of such vested Restricted Share Unit, an Award Payout of either:

- (m) subject to receipt of Regulatory Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Restricted Share Unit Recipient would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit, the Company shall pay to such Restricted Share Unit Recipient, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Trigger Date of such fractional Share. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and non-assessable, or
- (n) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested Restricted Share Unit; and

- (o) notwithstanding the foregoing, the Vesting Date Value must not be less than the Discounted Market Price as at the Restricted Share Unit Grant Date.

Limitation on Issuance of Shares to Insiders

Notwithstanding anything in this Plan, the Company shall not issue Shares under this Plan to any Service Provider who is an Insider of the Company where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Insiders, or when combined with all other Shares issuable to Insiders under any other equity compensation arrangements then in place, including any Options or Plan Optioned Shares, exceeding the maximum grants set forth herein, or 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis; and
- (b) the total number of Shares that may be issued to Insiders during any one year period under this Plan, or when combined with all other Shares issued to Insiders under any other equity compensation arrangements then in place, including any Options or Plan Optioned Shares, exceeding the maximum grants set forth herein, or 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis.

Where the Company is precluded by this 0 from issuing Shares to an Insider of the Company, the Company will pay to the relevant Insider a cash Award Payout in an amount equal to the Vesting Date Value as at the Trigger Date of the Restricted Share Unit.

Restricted Share Units Granted Under the Company's Previous RSU Plan

Any Restricted Share Unit granted pursuant to a Restricted Share Unit plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

Experts and Advisors

The Board may engage such experts ("**Experts**") and advisors as it considers appropriate, including compensation or human resources experts or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

Cancellation on Termination for Cause, Retirement or Voluntary Resignation

Unless the Board at any time otherwise determines, all unvested Restricted Share Units held by any Restricted Share Unit Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related Entity for cause, Retirement of the Restricted Share Unit Recipient or the voluntary resignation by the Restricted Share Unit Recipient. In situations where the Board exercises its discretion under this 0, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

Total Disability, Death and Termination Without Cause

Unless the Board at any time otherwise determines, if a Restricted Share Unit Recipient ceases to be a Service Provider for any of the following reasons, unvested Restricted Share Units will immediately vest on the date the Restricted Share Unit Recipient ceases to be a Service Provider:

- (c) death or Total Disability of a Restricted Share Unit Recipient;
- (d) the Termination of employment or removal from service by the Company or a Related Entity without cause; and
- (e) the Termination of employment by the Restricted Share Unit Recipient other than by way of Retirement of the Restricted Share Unit Recipient or voluntary resignation by the Restricted Share Unit Recipient.

In situations where the Board exercises its discretion under this 0, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

Change of Control

In the event of a Change of Control, all Restricted Share Units credited to an account of a Restricted Share Unit Recipient that have not otherwise previously been cancelled pursuant to the terms of the Plan shall vest on the date on which the Change of Control occurs (the “**Change of Control Date**”). Within thirty (30) days after the Change of Control Date, but in no event later than the Restricted Share Unit Expiry Date, the Restricted Share Unit Recipient shall at the discretion of the Board, receive either Shares or receive a cash payment equal in amount to: (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Company.

Tax Matters and Applicable Withholding Tax

The Company does not assume any responsibility for or in respect of the tax consequences of the receipt by Restricted Share Unit Recipients of Restricted Share Units, or payments received by Restricted Share Unit Recipients pursuant to this Plan. The Company or relevant Related Entity, as applicable, is authorized to deduct such taxes and other amounts as it may be required or permitted by law to withhold (“**Applicable Withholding Tax**”), in such manner (including, without limitation, by selling Shares otherwise issuable to Restricted Share Unit Recipients, on such terms as the Company determines) as it determines so as to ensure that it 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, or the remittance of tax or other obligations. The Company or relevant Related Entity, as applicable, may require Restricted Share Unit Recipients, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company or Related Entity, as applicable, respecting the payment by such Restricted Share Unit Recipients of applicable income or other taxes.

SHARE OPTION AWARDS UNDER THIS PLAN

Eligibility

Options to purchase Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. 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. It shall be the responsibility of the Company and the Optionee to ensure that such Optionee is a *bona fide* Service Provider.

Options Granted Under the Plan

- (f) All Options granted under the Plan will be evidenced by an Option Certificate in the form attached as Schedule B, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Option Exercise Price.
- (g) The Option Certificate of any Option which is intended to qualify as an Incentive Stock Option shall contain such limitations and restrictions upon the exercise of the Option as shall be necessary in order that such Option qualifies as an "incentive stock option" within the meaning of Section 422 of the Code. Further, the Option Certificate authorized under the Plan shall be subject to such other terms and conditions including, without limitation, restrictions upon the exercise of the Option, as the Board shall deem advisable and which are not inconsistent with the requirements of Section 422 of the Code.
- (h) No Options shall be granted after the expiration of ten (10) years from the earlier of the date of the adoption of the Plan by the Company or the approval of the Plan by the shareholders of the Company.
- (i) The sole class of Service Providers eligible to receive Incentive Stock Options under this Plan are employees of the Company.
- (j) Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Powers of the Board

Without limiting the powers of the Board hereunder, the Board has the power to:

- (k) allot Plan Shares for issuance in connection with the exercise of Options;
- (l) grant Options hereunder;
- (m) subject to any necessary Regulatory 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; and
- (n) 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.

Amendment of the Plan by the Board

Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (o) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (p) amendments of a housekeeping nature;

- (q) it may change the vesting provisions of an Award granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (r) it may change the termination provision of an Award granted hereunder which does not entail an extension beyond the lesser of the original Option Expiry Date or 12 months from termination;
- (s) it may make amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSX Venture;
- (t) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (u) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (v) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
 - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or
 - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Shares exceeding 5% of the Outstanding Shares;
- (w) any reduction in the Option Exercise Price of an Option previously granted to an Insider; or
- (x) the extension to the term of an outstanding Option, or outstanding Incentive Stock Option held by an Insider.

Options Granted Under the Company's Previous Share Option Plan

Any option granted pursuant to a share option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

TERMS AND CONDITIONS OF OPTIONS

Option Exercise Price

The Option Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price, and in the case of a Service Provider employed or performing services in the United States or otherwise subject to Section 409A or Section 422 of the Code, shall not be less than Fair Market Value on the date of grant. If the Optionee owns directly or by reason of the applicable attribution rules more than 10% of the total combined voting power of all classes of stock of the Company, the Option price per share of the Shares covered by each Option which is intended to be an Incentive Stock Option shall be not less than one hundred ten percent (110%) of the Fair Market Value on the date of the grant.

Term of Option

An Option can be exercisable for a maximum of 10 years from the Option Effective Date; provided, however, that if the Option price is required under 0 to be at least 110% of Fair Market Value, each such Option shall terminate not more than five (5) years from the date of the grant thereof, and shall be subject to earlier termination as herein provided.

Option Amendment

- (y) Subject to Section 1.1(1)(w), the Option Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Shares commenced trading on the TSX Venture, or the date of the last amendment of the Option Exercise Price.
- (z) An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in 0.
- (aa) Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

Subject to any other provision of this Plan, 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. Where applicable, vesting of Options will generally be subject to:

- (bb) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (cc) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Effect of Take-Over Bid

If a Take-Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take-Over Bid, notify each Optionee, with the exception of Optionees engaged in investor relations activity, currently holding an Option of the Take-Over Bid, with full particulars thereof whereupon such Option may, notwithstanding 0 or any vesting requirements set

out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities.

Extension of Options Expiring During Black-Out Period

Should the Option Expiry Date for an Option fall within a Black-Out Period, such Option Expiry Date shall, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Black-Out Period.

Optionee Ceasing to be Director, Employee or Service Provider

Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (dd) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (ee) an Option granted to (i) Director or Officer will expire 90 days and (ii) to all others including, but not limited to, Employees and Consultants will expire 30 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (ff) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non-Assignable

Subject to Section 1.1(1)(dd), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

The number of Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (gg) in the event of a subdivision of Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

- (hh) in the event of a consolidation of the Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Shares as result from the consolidation;
- (ii) in the event of any change of the Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Shares so purchased had the right to purchase been exercised before such change;
- (jj) subject to section 6.10(e) below, in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this 0;
- (kk) any adjustment, other than in connection with a consolidation or split to Awards granted or issued pursuant to the Plan is subject to prior acceptance by the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization;
- (ll) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (mm) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Share that would, except for the provisions of this 0, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

if any questions arise at any time with respect to the Option Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this 0, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Toronto, Ontario (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

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 Option Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

An Optionee who wishes to exercise his Option may do so by delivering

- (nn) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (oo) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Option Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to 0.

Tax Withholding and Procedures

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

The Company will withhold taxes for Optionees exercising Options in accordance with Canadian, US federal and state tax law, as required by the applicable tax law.

Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in 0 and elsewhere in this Plan, and as a condition of exercise:

- (pp) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (qq) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;
- (rr) and must in all other respects follow any related procedures and conditions imposed by the Company.

Reporting of Taxes

For Recipients that are employees of the Company, the Company will report the amount of resulting income from exercised NSOs and ISOs and the corresponding withholding tax on the applicable tax forms to the recipient.

Delivery of Optioned Shares and Hold Periods

As soon as practicable after receipt of the notice of exercise described in this 0 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Option Exercise Price is set below the then current market price of the Shares on the TSX Venture at the time of grant, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (ss) Insiders of the Company; or
- (tt) where Options are granted to any Service Provider, including Insiders, where the Exercise Price is at a discount to the Market Price.

Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

GENERAL CONDITIONS

General Conditions Applicable to Restricted Share Units

- (uu) **Compliance with Applicable Laws** - The issuance by the Company of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Recipient agrees to comply with all such applicable laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such applicable laws. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.
- (vv) **Awards to Insiders** - All Awards issued to Insiders will include a legend stipulating that the Award is subject to a four-month hold period as required by the TSX Venture.
- (ww) **Non-Transferability** – All Awards and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Restricted Share Unit Recipient dies the legal representatives of the Restricted Share Unit Recipient will be entitled to receive the amount of any payment otherwise payable to the Restricted Share Unit Recipient hereunder in accordance with the provisions hereof.
- (xx) **No Right to Service** - Neither participation in this Plan nor any action under this Plan will be construed to give any Service Provider or Restricted Share Unit Recipient a right to be retained in the service or to continue in the employment of the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.
- (yy) **Plan Amendment** - Subject to all necessary approvals of the TSX Venture, the Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of the Restricted Share Unit

Recipient or unless required by law, adversely affect the rights of a Restricted Share Unit Recipient with respect to Restricted Share Units to which the Restricted Share Unit Recipient is then entitled under this Plan.

- (zz) **Plan Termination** - The Board may terminate this Plan at any time, but no termination will, without the consent of the Restricted Share Unit Recipient or unless required by law, adversely affect the rights of a Restricted Share Unit Recipient with respect to Restricted Share Units to which the Restricted Share Unit Recipient is then entitled under this Plan. In no event will a termination of this Plan accelerate the vesting of Restricted Share Units or the time at which a Restricted Share Unit Recipient would otherwise be entitled to receive any payment in respect of Restricted Share Units hereunder.
- (aaa) **Reorganization of the Company** - The existence of this Plan or Restricted Share Units will not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, Shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company 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.
- (bbb) **No Shareholder Rights** - Restricted Share Units are not considered to be Shares or securities of the Company, and a Restricted Share Unit Recipient who is issued Restricted Share Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.
- (ccc) **No Other Benefit** - No amount will be paid to, or in respect of, a Restricted Share Unit Recipient under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Restricted Share Unit Recipient for such purpose.
- (ddd) **Unfunded Plan** - For greater certainty, this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Restricted Share Unit Recipient to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

General Conditions Applicable to Options

- (eee) **Employment and Services** - 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 same. Participation in the Plan by an Optionee is voluntary.
- (fff) **No Representation or Warranty** - The Company makes no representation or warranty as to the future market value of 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 Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

- (ggg) **Plan Amendment** - The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.
- (hhh) **Savings Clause** - This Plan is intended to comply in all respects with applicable law and regulations, including Section 409A of the Code. In case any one or more provisions of this Plan shall be held invalid, illegal, or unenforceable in any respect under applicable law and regulation (including Section 409A of the Code), the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal, or unenforceable provision shall be deemed null and void; however, to the extent permitted by law, any provision that could be deemed null and void shall first be construed, interpreted, or revised retroactively to permit this Plan to be construed in compliance with all applicable law (including Section 409A of the Code) so as to foster the intent of this Plan.

General Conditions

- (iii) **Successors and Assigns** - This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Service Provider.
- (jjj) **Governing Law** - This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

SCHEDULE "A"
FORM OF RESTRICTED SHARE UNIT AGREEMENT

Western Metallica Resources Corp. (the "**Company**") hereby confirms the grant to the undersigned Recipient of Restricted Share Units ("**Restricted Share Units**") described in the table below pursuant to the Company's Omnibus Incentive Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Restricted Share Unit Recipient.

No. of Restricted Share Units	Trigger Date	Restricted Share Unit Expiry Date

[include any specific/additional vesting period or Performance Conditions]

Performance Conditions:

- 1)
- 2)

The Company and the undersigned Restricted Share Unit Recipient hereby confirm that the undersigned Restricted Share Unit Recipient is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Restricted Share Unit Recipients, as the case may be.

DATED _____, 20____.

•.

Per: _____
 Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Restricted Share Unit Recipient under the Plan, agrees to be bound by the provisions thereof and agrees that the Plan will be effective as an agreement between the Company and the undersigned with respect to the Restricted Share Units granted or otherwise issued to it.

DATED _____, 20____.

Witness (Signature)

Name (please print)

Address

City, Province

Occupation

Restricted Share Unit Recipient's Signature

Name of Restricted Share Unit Recipient (print)

SCHEDULE "B"
FORM OF OPTION CERTIFICATE

[If issued to officers or directors or at a discount to the Market Price] 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 FROM THE GRANT DATE]**.

[Insert the following U.S. legend if the Option is being issued to an Optionee who is in the United States or who is a U.S. person:]

THE OPTION REPRESENTED BY THIS CERTIFICATE AND THE COMMON SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IT HAS, IN THE CASE OF EACH OF (C) AND (D), PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT.

WESTERN METALLICA RESOURCES CORP.

SHARE OPTION PLAN

OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Western Metallica Resources Corp. (the "**Company**") Omnibus Incentive Plan (the "**Plan**") and evidences that _____ is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to _____ common shares (the "**Shares**") in the capital stock of the Company at a purchase price of CAD\$_____ per Share (the "**Option Exercise Price**").

The Company and the undersigned Share Option Plan Service Provider hereby confirm that the undersigned Share Option Plan Service Provider is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers, as the case may be.

The Plan provides for the granting of stock options that either (i) are intended to qualify as "Incentive Stock Options" within the meaning of Section 422 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), or (ii) do not qualify as Incentive Stock Options under Section 422 of the Code, and

are hence called (“**Non-Statutory Stock Options**”). This Option will be treated as (select one), barring any post-grant events that effect the eligibility of the option to be treated as an ISO:

- an Incentive Stock Option (ISO); or
- a Non-Statutory Stock Option (NSO).

Subject to the provisions of the Plan:

the effective date of the grant of the Option is _____, 20__;

the Option expires at 5:00 p.m. (Vancouver Time) on _____, 20__; and

the Options shall vest as follows:

ARTICLE 1 Date	ARTICLE 2 Percent of Stock Options Vested	ARTICLE 3 Number of Stock Options Vested	ARTICLE 4 Aggregate Number of Stock Options Vested
ARTICLE 5	ARTICLE 6	ARTICLE 7	ARTICLE 8
ARTICLE 9			
ARTICLE 10			
ARTICLE 11			
ARTICLE 12			
ARTICLE 13			
ARTICLE 14			
ARTICLE 15			

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (Vancouver Time) on the expiration date of the Option Period by delivering to the Company an Exercise Notice, in the form attached as Appendix “I” hereto, together with this Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Option Exercise Price of the Shares in respect of which the Option is being exercised.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions and may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. The Options hereby granted are subject to the approval of the Exchange.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

If the Optionee is a U.S. person or is located in the United States, the Optionee acknowledges and agrees as follows:

- (a) The Option and the Shares (collectively, the “**Securities**”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States, and the Option is being granted to the Optionee in reliance on an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.
- (b) The Securities will be “restricted securities”, as defined in Rule 144 under the U.S. Securities Act, and the rules of the United States Securities and Exchange Commission provide in substance that the Optionee may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and the Company has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder, if available).
- (c) The Optionee understands that (i) if the Company is deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a “**Shell Company**”), Rule 144 under the U.S. Securities Act may not be available for resales of the Securities and (ii) the Company is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities;
- (d) If the Optionee decides to offer, sell or otherwise transfer any of the Shares, the Optionee will not offer, sell or otherwise transfer any of the Shares directly or indirectly, unless:
 - (i) the sale is to the Company;
 - (ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act (“**Regulation S**”) and in compliance with applicable local laws and regulations;
 - (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “blue sky” laws; or
 - (iv) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities;

and, in the case of each of (iii) and (iv) it has prior to such sale furnished to the Company an opinion of counsel reasonably satisfactory to the Company stating that such transaction is exempt from registration under applicable securities laws.

The Option may not be exercised by or for the account or benefit of a person in the United States or a U.S. person unless registered under the U.S. Securities Act and any applicable state securities laws, unless an exemption from such registration requirements is available.

The certificate(s) representing the Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS

AMENDED, (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and such Shares were acquired at a time when the Company is a "foreign issuer" as defined in Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Company, in substantially the form set forth as Appendix "II" hereto (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (e) Rule 905 of Regulation S provides in substance that any "restricted securities" that are equity securities of a "domestic issuer" (including an issuer that no longer qualifies as a "foreign issuer") will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S; that Rule 905 of Regulation S will apply in respect of Shares if the Company is not a "foreign issuer" at the time of exercise of the related Options; and that the Company is not obligated to remain a "foreign issuer".
- (f) "Domestic issuer", "foreign issuer", "United States" and "U.S. person" are as defined in Regulation S.
- (g) If the Optionee is resident in the State of California on the effective date of the grant of the Option, then, in addition to the terms and conditions contained in the Plan and in this Certificate, the Optionee acknowledges that the Company, as a reporting issuer under the securities legislation in the Provinces of British Columbia, Alberta and Ontario, is required to publicly file with the securities regulators in those jurisdictions continuous disclosure documents, including audited annual financial statements and unaudited quarterly financial statements (collectively, the "**Financial Statements**"). Such filings are available on the System for Electronic Document Analysis and Retrieval (SEDAR), and documents filed on SEDAR may be viewed under the Company's profile at the following website address:

www.sedar.com. Copies of Financial Statements will be made available to the Optionee by the Company upon the Optionee's request.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this ____ day of _____, 20____.

WESTERN METALLICA RESOURCES CORP.

Authorized Signatory

APPENDIX "I"

WESTERN METALLICA RESOURCES CORP.

SHARE OPTION PLAN

EXERCISE NOTICE

TO: Western Metallica Resources Corp. (the "Company")

1. The undersigned (the "**Optionee**"), being the holder of options to purchase _____ common shares of the Company (the "**Shares**") at the exercise price of \$CAD _____ per share (the "**Option Exercise Price**"), hereby irrevocably gives notice, pursuant to the Omnibus Incentive Plan of the Company (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for _____ of such Shares of the Company.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Option Exercise Price of the aforesaid Shares exercised and directs the Company to issue a share certificate evidencing said Shares in the name of the Optionee to be mailed to the Optionee at the following address:

3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Optionee is resident in _____ [name of state/province].

5. The Optionee represents, warrants and certifies as follows (please check all of the categories that apply):

- (a) the Optionee at the time of exercise of the Option is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and is not exercising the Option on behalf of, or for the account or benefit of a U.S. person or a person in the United States and did not execute or deliver this exercise form in the United States;
- (b) the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is a U.S. Accredited Investor **and has completed the U.S. Accredited Investor Status Certificate in the form attached to this Exercise Notice;**
- (c) the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is a natural person who is either: (i) a director, officer or employee of the Company or of a majority-owned subsidiary of the Company (each, an "**Eligible Company Optionee**"), (ii) a consultant who is providing bona fide services to the Company or a majority-owned subsidiary of the Company that are not 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 Company's securities (an "**Eligible Consultant**"), or (iii) a former Eligible Company Optionee or Eligible Consultant; and/or

- (d) if the undersigned holder is resident in the United States or is a U.S. person, the undersigned holder has delivered to the Company and the Company's transfer agent an opinion of counsel (which will not be sufficient unless it is in form and substance satisfactory to the Company) or such other evidence satisfactory to the Company to the effect that with respect to the securities to be delivered upon exercise of the Option, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available;

6. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

Note: Certificates representing Shares will not be registered or delivered to an address in the United States unless Box 5(b), (c) or (d) above is checked.

7. If the undersigned Optionee has marked Box 5(b), (c) or (d) above, the undersigned Optionee hereby represents, warrants, acknowledges and agrees that:

- (a) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Options will not represent proceeds of crime for the purposes of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;
- (b) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (c) there may be material tax consequences to the Optionee of an acquisition or disposition of any of the Shares. The Company gives no opinion and makes no representation with respect to the tax consequences to the Optionee under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of such securities. In particular, no determination has been made whether the Company will be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended; and
- (d) if the undersigned has marked Box 5(c) above, the Company may rely on the registration exemption in Rule 701 under the U.S. Securities Act and a state registration exemption, but only if such exemptions are available; in the event such exemptions are determined by the Company to be unavailable, the undersigned may be required to provide additional evidence of an available exemption, including, without limitation, the legal opinion contemplated by Box 5(d).

8. If the undersigned Optionee has marked Box 5(b) above, the undersigned represents and warrants to the Company that:

- (a) the Optionee has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;
- (b) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as he or she has considered necessary or appropriate in connection with his or her investment decision to acquire the Shares;
- (c) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; and (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and
- (d) the undersigned has not exercised the Option as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio, television or other form of telecommunications or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

9. If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking Box 5(b) above, or if the undersigned has marked Box 7(c) above on the basis that the exercise of the Option is subject to the registration exemption in Rule 701 under the U.S. Securities Act and an available state registration exemption, the undersigned also acknowledges and agrees that:

- (a) the Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Shares will be issued as "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements; and
- (b) the certificate(s) representing the Shares will be endorsed with a U.S. restrictive legend substantially in the form set forth in the Option Certificate until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws.

10 The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws.

DATED the _____ day of _____, _____.

Signature of Optionee

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of an option to purchase common shares of **Western Metallica Resources Corp.** (the “**Company**”) by the Optionee, the Optionee hereby represents and warrants to the Company that the Optionee satisfies one or more of the following categories of Accredited Investor (**please initial each category that applies**):

- _____ (1) Any director or executive officer of the Company; or
- _____ (2) A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of purchase of the Shares contemplated by the accompanying Exercise Notice, exceeds US\$1,000,000 (for the purposes of calculating net worth: (i) the person’s primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the purchase of the Shares, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time execution of the accompanying Exercise Notice exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability); or
- _____ (3) A natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
- _____ (4) An organization described in Section 501(c)(3) of the United States Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Shares, with total assets in excess of US\$5,000,000; or
- _____ (5) An entity in which all of the equity owners meet the requirements of at least one of the above categories (if this alternative is checked, you must identify each equity owner and provide statements signed by each demonstrating how each qualifies as an Accredited Investor).

APPENDIX "II"

WESTERN METALLICA RESOURCES CORP.

SHARE OPTION PLAN

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Western Metallica Resources Corp. (the "Company")

AND TO: Registrar and transfer agent for the common shares of the Company

The undersigned (a) acknowledges that the sale of _____ (the "**Securities**") of the Company, represented by certificate number _____, to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not (A) an "affiliate" of the Company (as that term is defined in Rule 405 under the U.S. Securities Act), (B) a "distributor" as defined in Regulation S or (C) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

Dated _____ 20__.

X _____
Signature of individual (if Seller **is** an individual)

X _____
Authorized signatory (if Seller is **not** an individual)

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (b)(2)(B) above)

We have read the foregoing representations of our customer, _____ (the "**Seller**") dated _____, with regard to the sale, for such Seller's account, of _____ common shares (the "**Securities**") of the Company represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Dated: _____ 20____.

Name of Firm

By: _____
Authorized Officer

SCHEDULE "B"

Audit Committee Charter

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of **Western Metallica Resources Corp.** (the "**Company**"):

Mandate

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

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

Composition

The Committee shall be comprised of a minimum of three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 52-110 ("**NI 52-110**")), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

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

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review

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

2. External Auditors

- (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
- (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
- (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
- (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

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

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.