

TSX-V: CAD

COLONIAL COAL INTERNATIONAL CORP.

Suite 200, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5
Telephone: (604) 568-4962 and Facsimile: (604) 684-0642

MANAGEMENT INFORMATION CIRCULAR

(as at November 6, 2026, except as otherwise indicated)

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Colonial Coal International Corp. (the "Corporation") for use at the annual general meeting (the "Meeting") of its shareholders to be held on December 16, 2026, at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to the "**Corporation**", "**we**" and "**our**" refer to Colonial Coal International Corp. "**Common Shares**" means common shares without par value in the capital of the Corporation. "**Beneficial Shareholders**" means shareholders who do not hold Common Shares in their own name and "**intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

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

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a

choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;

(b) any amendment to or variation of any matter identified therein; and

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

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

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by choosing one of the following methods:

(a) complete, date and sign the enclosed form of Proxy and return it to the Corporation's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1;

(b) use a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the toll-free number, the holder's account number and the Proxy access number; or

(c) log onto Computershare's website at www.investorvote.com. Registered shareholders must follow the instructions provided on the website and refer to the enclosed Proxy form for the holder's account number and the Proxy access number.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Corporation's Board of Directors (the "**Board**") at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

Beneficial Shareholders

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

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

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

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

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

Management of the Corporation does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary and, in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of the Proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet in

accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

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

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the Alberta Act, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

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

(a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to either Computershare or to the Corporation's office, located at Suite 200, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairperson of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

(b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed November 6, 2026 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

(a) the shareholder has transferred the ownership of any such Common Shares after the Record Date; and

(b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Common Shares and makes a demand to Computershare no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

The Common Shares of the Corporation are listed for trading on the TSX Venture Exchange (the "**TSXV**"). The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As of November 6, 2026, there were 185,643,051 Common Shares issued and outstanding, each carrying the right to vote. There are no preferred shares issued and outstanding. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares or the preferred shares.

To the knowledge of the directors and executive officers of the Corporation, only the following persons and entities beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at November 6, 2026:

Shareholder Name(*)	**Number of Common Shares Held**(*)	**Percentage of Issued Common Shares**
Rousseau Asset Management Ltd.	26,306,015	14.17%
David Emri	21,422,200	11.54%
David Austin	19,101,700	10.29%

Note:
(*) The above information has been furnished by the Corporation and from the insider reports available at www.sedi.ca.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended July 31, 2026, and the report of the Corporation's auditor thereon, will be placed before the Meeting. Additional information may be obtained upon request from the Corporation, at Suite 200, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5; telephone: (604) 568-4962 or facsimile: (604) 684-0642. These documents and additional information are also available through the Internet on www.sedarplus.ca.

VOTES NECESSARY TO PASS RESOLUTIONS

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

ELECTION OF DIRECTORS

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the Alberta Act, each director elected will hold office until the conclusion of the next annual meeting of the Corporation or, if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management's six nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at November 6, 2026:

Nominee Position with the Corporation and Residence	Period as a director of the Corporation	Common Shares Beneficially Owned or Controlled[1]
David Austin[2] President, Chief Executive Officer, Chairman and a director British Columbia, Canada	Since July 14, 2010	19,101,700[3]
Ian Downie[2] Director British Columbia, Canada	Since July14, 2010	Nil[4]
John Perry Chief Operating Officer and a director British Columbia, Canada	Since October 7, 2010	7,750,000[5]
Partha S. Bhattacharyya Director Kolkata, India	Since November 18, 2019	Nil[6]

Nominee Position with the Corporation and Residence	Period as a director of the Corporation	Common Shares Beneficially Owned or Controlled[(1)]
Gregory Waller Director British Columbia, Canada	Since September 13, 2017	Nil[(7)]
Christina Joan Clark British Columbia, Canada	Since October 29, 2026	Nil[(8)]

Notes:

(1) The information as to Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees for director.
(2) Member of the Corporation's Audit Committee.
(3) David Austin holds a stock option to purchase up to 1,650,000 Common Shares at an exercise price of $0.31 per Common Share expiring on April 5, 2028 and also holds a stock option to purchase up to 850,000 Common Shares at an exercise price of $2.29 per Common Share expiring on February 7, 2032.
(4) Ian Downie holds a stock option to purchase up to 250,000 Common Shares at an exercise price of $0.31 per Common Share expiring on April 5, 2028.
(5) John Perry holds a stock option to purchase up to 1,400,000 Common Shares at an exercise price of $0.31 per Common Share expiring on April 5, 2028 and also holds a stock option to purchase up to 600,000 Common Shares at an exercise price of $2.29 per Common Share expiring on February 7, 2032.
(6) Partha S. Bhattacharyya holds a stock option to purchase up to 1,100,000 Common Shares at an exercise price of $0.35 per Common Share expiring on November 20, 2029.
(7) Gregory Waller holds a stock option to purchase up to 1,000,000 Common Shares at an exercise price of $0.31 per Common Share expiring on April 5, 2028.
(8) Christina Joan Clark holds a stock option to purchase up to 1,000,000 Common Shares at an exercise price of $2.35 per Common Share expiring on October 26, 2031.

Occupation, Business or Employment of Nominees

David Austin – President, Chief Executive Officer, Chairman and a director

David Austin has served as Chief Executive Officer and Chairman of the Corporation since October 2010 and as a director of the Corporation since July 2010. Mr. Austin was President of Colonial Coal Corporation (pre-amalgamated company), from August 2005 to November 2008, and has been the Chief Executive Officer, Chairman and a director since November 2008. Mr. Austin ~~w~~as a terminal manager with the BC Ferry Corporation in West Vancouver, British Columbia. He was a co-founder and director of Western Canadian Coal Corp. (TSX: WTN, WTN.WT and WTN.DB; AIM: WTN) and founded NEMI Northern Energy & Mining Inc. (TSX: NNE.A; "**NEMI**"), where he acted as a President from March 2001 to August 2024. Mr. Austin has served as a director for numerous publicly listed companies.

Ian Downie – Director

Ian Downie (retired) formerly acted as a consultant specializing in mediation and dispute resolutions. Mr. Downie has served as a director of the Corporation since July 2010 and a director of Colonial Coal Corporation since November 2008. Mr. Downie is a former director of Terminal Operations for the BC Ferry Corporation from June 1999 to September 2007. Mr. Downie previously served as a director of Cranbrook Credit Union and the Credit Union Deposit Insurance Corp. Mr. Downie has also served as a Commissioner for the Financial Institution Commission, which is the regulator of credit unions, trust companies and insurance companies licensed in the Province of British Columbia.

John Perry – Chief Operating Officer and a director

John Perry has served as a consultant to Colonial Coal Corporation from May 2008 to October 2010 and, since then, has held the positions of Chief Operating Officer and a director of the Corporation. Mr. Perry has over 50 years of experience as a geologist and is a Registered Professional Geologist with Engineers and Geoscientists British Columbia. Mr. Perry has worked on coal projects in northeastern British Columbia since 1976, initially as an employee with Denison Mines Ltd. and then as a consultant; and he has acted as a geological consultant on domestic and international coal and mineral projects since 1980. From 2004 to 2005, Mr. Perry was Manager of Exploration for NEMI, and, from 2005 to 2008, was Director of Exploration for the Belcourt Saxon Coal Limited Partnership. Mr. Perry has founded two geological consulting companies: JHP Coal-Ex Consulting Ltd. and Min-Ex Resources Consultants.

Partha S. Bhattacharyya – Director

Partha Bhattacharyya is the former Chairman and Managing Director of Coal India Limited ("**CIL**"), a coal-producing company headquartered in Kolkata, West Bengal, India. Mr. Bhattacharyya holds a post-graduate degree in physics from Jadavpur University, Kolkata, and a diploma in finance from ICFAI University, Hyderabad. Mr. Bhattacharyya is also a Fellow of the Institute of Cost and Works Accountants of India and the World Academy of Productivity Science. Mr. Bhattacharyya joined CIL as a management trainee in 1977, rose to become its Chairman cum MD in October of 2006 and continued until his retirement in February of 2011. During this period he spearheaded the 10% stake sale of the company to mobilize US$3.5 billion through a highly oversubscribed initial public offering rated the largest in the Indian capital markets so far. Prior to joining CIL, Mr. Bhattacharyya was the Chairman and Managing Director of BCCL, a wholly-owned Subsidiary of CIL, where he played a crucial role in the turnaround of the company which had been reporting losses since its inception. Since Sept 2022, Mr Bhattacharyya is the Non Executive Chairman of the Board of Directors of Peerless General Finance and Investment.

Gregory Waller – Director

Gregory Waller holds a Bachelor of Commerce from University of British Columbia and an MBA from University of Calgary. Mr. Waller is currently a member of the Canadian Investor Relations Institute. Mr. Waller served as Senior Vice President, Investor Relations & Strategic Analysis, of Teck Resources Limited since December 2015 until his retirement in mid-2017.

Christina Joan Clark – Director

Christina Joan Clark is currently a senior advisor with the law firm Bennett Jones LLP. The Honorable Christina Joan Clark led Canada's third largest province, British Columbia, for over six years - managing a government with $52B in revenues, 18 ministries, 27 crown corporations and over 125,000 employees. Throughout her tenure, Ms. Clark demonstrated the strongest performance of any Canadian Premier for economic growth, fiscal management and job creation. Ms. Clark retired from political life in 2017 as the longest serving female Premier in Canadian history and the only woman Premier in Canada ever to be re-elected.

Cease Trade Orders or Bankruptcies

Within the last 10 years before the date of this Circular, other than as set out below, no proposed nominee for election as a director of the Corporation was a director or executive officer of any company (including the Corporation in respect of which this Circular is prepared) or acted in that capacity for a company that was:

(a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation for more than 30 consecutive days;

(b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation for a period of more than 30 consecutive days;

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

(d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Corporation also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Corporation have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Corporation will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies provided under Alberta corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

APPOINTMENT OF AUDITOR

PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Suite 700, 250 Howe Street, Vancouver, British Columbia, Canada, V6C 3S7, will be nominated at the Meeting for

reappointment as auditor of the Corporation to hold office until the next annual general meeting of shareholders, at a remuneration to be fixed by the directors. PricewaterhouseCoopers LLP was first appointed auditor of the Corporation effective on January 19, 2011.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 - "*Audit Committee*" of the Canadian Securities Administrators ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor all as set forth herein below.

The Audit Committee's Charter

The Corporation's Audit Committee (the "**Audit Committee**") has a Charter. A copy of the Audit Committee Charter is attached as Schedule "A" to the Corporation's management information circular dated December 17, 2010; a copy of which is filed on www.sedarplus.ca.

Composition of the Audit Committee

The current members of the Corporation's Audit Committee are Ian Downie (Chairman), Partha S. Bhattacharyya and David Austin. Messrs Downie and Bhattacharyya are independent and Mr. Austin, the President and Chief Executive Officer of the Corporation, is a non-independent member of the Audit Committee. All the current and proposed members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110.

Relevant Education and Experience

See the disclosure under the heading "Occupation, Business or Employment of Nominees" hereinabove pertaining to relevant education and experience of the Corporation's Audit Committee members.

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Corporation to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than PricewaterhouseCoopers LLP.

Reliance on Certain Exemptions

The Corporation's auditor, PricewaterhouseCoopers LLP, has not provided any material non-audit services to the Corporation.

Pre-Approval Policies and Procedures

See the Corporation's Audit Committee Charter for policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee reviewed the nature and amount of the non-audit services provided by PricewaterhouseCoopers LLP to the Corporation to ensure auditor independence. Fees incurred with PricewaterhouseCoopers LLP for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

Nature of Services	Year Ended July 31, 2026	Year Ended July 31, 2025
Audit Fees[(1)]	$79,715	$77,620
Audit-Related Fees[(2)]	$$Nil	$Nil
Tax Fees[(3)]	$19,900	$18,725
All Other Fees[(4)]	$Nil	$Nil
Total	$99,615	$96,345

Notes:

(1) "**Audit Fees**" include fees necessary to perform the annual audit of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "**Tax Fees**" include fees for all tax services other than those included in Audit Fees and Audit-Related Fees. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.

(4) "**All Other Fees**" include all other non-audit services, including fees related to quarterly reviews and the review of other filing documents.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

This is a "venture issuer" exemption from the requirement to have 100% of the members of its Audit Committee independent as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE

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

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Corporation's Board, be reasonably expected to interfere with the exercise of a director's independent judgment or which is deemed to be a material relationship under NI 52-110.

The Board facilitates its independent supervision over management by holding regular meetings at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

The independent directors of the Corporation are Ian Downie, Partha S. Bhattacharyya and Christina Joan Clark. The non-independent directors are David Austin (President, Chief Executive Officer and Chairman), John Perry (Chief Operating Officer) and Gregory Waller (a consultant to the Corporation).

Directorships

The following director is currently serving on the board of directors of the following other reporting companies (or the equivalent) as set out below:

Name of Director	Reporting Issuer	Exchange Listed
Partha S. Bhattacharyya	Texmaco Rail Engineering Ltd.	Bombay Stock Exchange
Christina Joan Clark	Constellation Brands, Inc.	New York Stock Exchange

Orientation and Continuing Education

When new directors are appointed they receive orientation commensurate with their previous experience on the Corporation's properties and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. Furthermore, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the officers, employees and non-executive directors of the Corporation. The Board annually reviews all forms of compensation paid to officers, employees and non-executive directors both with regards to the expertise and experience of each individual and in relation to industry peers. Currently, non-executive directors of the Corporation are paid an annual retainer of $6,000, with Ms. Clark now receiving an annual retainer of $48,000, and are entitled to receive periodic grants of stock-based compensation awards.

Other Board Committees

At the present time the Board has no other committees other than its Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officer

In this section "Named Executive Officer" (an "**NEO**") means the Chief Executive Officer (the "**CEO**"), the Chief Financial Officer (the "**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end

of the most recently completed financial year of the Corporation and whose total compensation was more than $150,000, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year of the Corporation.

The NEOs of the Corporation for the purpose of the following disclosure are:

David Austin:	President, CEO and Chairman of the Board;
Andrea Yuan:	CFO and Corporate Secretary; and
John Perry:	Chief Operating Officer ("**COO**").

The Corporation's directors who are also not NEOs of the Corporation for the purpose of the following disclosure are:

Ian Downie:	Director;
Anthony Hammond:	Former director;
Gregory Waller:	Director; and
Partha S. Bhattacharyya:	Director.

Director and Named Executive Officer Compensation

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to NEOs and members of the Board for the most recently completed financial years ended July 31, 2026, July 31, 2025 and July 31, 2024.

Table of Compensation Excluding Compensation Securities

Name and principal position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of Perquisites ($)	Value of all other compensation ($)	Total compensation ($)
David Austin[1] President, CEO and Chairman of the Board	2026 2025 2024	260,000 260,000 260,000	26,000 13,000 17,500	Nil Nil Nil	Nil Nil Nil	12,000 12,000 12,000	298,000 285,000 289,500
Andrea Yuan[2] CFO and Corporate Secretary	2026 2025 2024	108,000 108,000 96,000	14,000 11,000 10,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	122,000 119,000 106,000
John Perry[3] COO and a director	2026 2025 2024	230,000 230,000 230,000	26,000 13,000 17,500	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	256,000 243,000 247,500
Ian Downie[4] Director	2026 2025 2024	6,000 6,000 6,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	6,000 6,000 6,000

Table of Compensation Excluding Compensation Securities							
Name and principal position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of Perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Anthony Hammond[5] Former director	2026 2025 2024	Nil 4,000 6,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil 20,000 30,000	Nil 24,000 36,000
Gregory Waller[6] Director	2026 2025 2024	6,000 6,000 6,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	42,000 42,000 42,000	48,000 48,000 48,000
Partha S. Bhattacharyya[7] Director	2026 2025 2024	6,000 6,000 6,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	30,000 30,000 30,000	36,000 36,000 36,000

Notes:

(1) David Austin was appointed as a director of the Corporation on July 14, 2010 and as President, CEO and Chairman on October 7, 2010. He was President, CEO, Chairman and a director of Colonial Coal Corporation. Mr. Austin entered into an Executive Services Agreement with Colonial Coal Corporation effective January 1, 2008 (the "**ES Agreement**"), which the Corporation has assumed the obligations of in connection with the completion of its then qualifying transaction on the TSXV. Pursuant to the terms of the ES Agreement, Mr. Austin presently receives a monthly salary of $21,667 subject to adjustment. The monthly fee is paid through Sovereign Financial Services Inc., a company which is wholly-owned by Mr. Austin. "All other compensation" paid to Mr. Austin consisted of a car allowance.

(2) Andrea Yan was appointed CFO and Corporate Secretary on December 8, 2021.

(3) John Perry was appointed COO and as a director of the Corporation on October 7, 2010. Mr. Perry charges for his services through his consulting firm, JHP Coal-Ex Consulting Ltd.

(4) Ian Downie was appointed as a director on July 14, 2010.

(5) Anthony Hammond was appointed as a director on October 7, 2010 and passed away in April, 2025.

(6) Gregory Waller was elected as a director on September 13, 2017. During the year Mr. Waller received $42,000 as a payment for management services provided to the Corporation.

(7) Partha S. Bhattacharyya was appointed to the board of directors on November 18, 2019. During the year Mr. Bhattacharyya received $30,000 as a payment for management services provided to the Corporation.

Stock Options and Other Compensation Securities

The Corporation's authorized share structure is an unlimited number of Common Shares and as at November 6, 2026 there were 185,643,051 Common Shares of the Corporation issued and outstanding. The Corporation has a 10% rolling share option plan allowing it to grant options to a maximum of 10% of the issued and outstanding shares of the Corporation, from time to time.

During the year ended July 31, 2026, no compensation securities were granted or issued to a director or NEO or a subsidiary of the Corporation. The following tables lists all compensation securities held by directors, NEO's or subsidiaries of the Corporation.

Name and Position	Type of Compensation Security	Number of Compensation Securities, underlying securities and percentage of class (#)(*)	Date of Grant or Issue (mm/dd/yy)	Issue, conversion or exercise price ($)	Expiry Date (mm/dd/yy)
David Austin President, CEO, Chairman of the Board and a director	Options	1,650,000 (0.89%) 850,000 (0.46%)	04/05/2018 02/07/22	$0.31 $2.29	04/05/28 02/07/32
Andrea Yuan CFO and Corporate Secretary	Options	250,000 (0.14%)	02/07/22	$2.29	02/07/32
John Perry COO and a director	Options	1,400,000 (0.76%) 600,000 (0.32%)	04/05/2018 02/07/22	$0.31 $2.29	04/05/28 02/07/32
Gregory Waller Director	Options	1,000,000 (0.54%)	04/05/2018	$0.31	04/05/28
Ian Downie Director	Options	250,000 (0.14%)	04/05/2018	$0.31	04/05/28
Partha S. Bhattacharyya Director	Options	1,100,000 (0.59%)	11/20/2019	$0.35	11/20/2029

Notes:
(*) Percentage of class represents the % of compensation securities granted over the total number of compensation securities of the Corporation outstanding as of July 31, 2026, being 185,383,051 common shares.

Exercise of Compensation Securities by NEOs and directors

There were no compensation securities exercised by any of the NEOs or directors of the Corporation during the financial year ended July 31, 2026.

Stock Options and Other Incentive Plans

The Corporation has an existing Share Option Plan (the "**Plan**") in place which was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. Management proposes share option grants to the Board based on such criteria as performance, previous grants and hiring incentives. All grants require approval of the Board. The Plan is administered by the directors of the Corporation and provides that stock options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation.

As at July 31, 2026, there were 14,965,000 stock options outstanding pursuant to the Corporation's existing Plan.

At the Meeting the Corporation is proposing to approve a new form of 10% rolling omnibus stock incentive plan (the "**Omnibus Stock Incentive Plan**"). For details on the Omnibus Stock Incentive Plan please see the section captioned "*Particulars of Matters to be Acted Upon – Approval of New Omnibus Stock Incentive Plan*" herein.

Employment, consulting and management agreements

Except as described below, as of July 31, 2026 and to date, the Corporation has no agreements of compensatory plans or arrangements with any of its NEOs and/or directors under which compensation was provided during the most recently completed financial year ended July 31, 2026.

The Corporation entered into the ES Agreement with David Austin, effective on January 1, 2007, pursuant to which the Corporation has assumed the obligations in connection with the completion of the Corporation's then qualifying transaction on the TSXV. Pursuant to the terms of the ES Agreement, Mr. Austin currently receives a monthly salary of $21,667, subject to adjustment, through Sovereign Financial Services Inc., a company which is wholly-owned by Mr. Austin. If the Corporation terminates the ES Agreement without cause it is required to provide 60 days' notice and Mr. Austin is entitled to the equivalent of 48 months' severance of the then payable monthly fee under the ES Agreement. In the event of a change of control (as defined in the ES Agreement), Mr. Austin is entitled to terminate the ES Agreement and will receive a severance equivalent to 24 months of the then payable monthly fee.

Oversight and description of director and named executive officer compensation

The Board is responsible for determining compensation for the officers and non-executive directors of the Corporation. The Board annually reviews all forms of compensation paid to officers and non-executive directors both with regards to the expertise and experience of each individual and in relation to industry peers. In each case, the Board takes into consideration the prior experience of the officer and/or non-executive director, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Corporation, and the Corporation's available cash resources.

Executive Compensation

Except as disclosed herein, there are no arrangements under which NEOs were compensated by the Corporation during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants:

Pursuant to the ES Agreement, David Austin currently receives a monthly salary of $21,667 through Sovereign Financial Services Inc., a company which is wholly-owned by Mr. Austin, subject to adjustment. John Perry, COO of the Corporation, charges for his services through his consulting firm, JHP Coal-Ex Consulting Ltd. Andrea Yuan, CFO and Corporate Secretary of the Corporation, charges for her services through Black Dragon Financial Consulting Services Inc.

Director Compensation

Non-executive directors of the Corporation are paid an annual retainer of $6,000, with Ms. Clark now receiving an annual retainer of $4,000. During the financial year ended July 31, 2026, Mr. Waller received $42,000 (2025 - $42,000) as a payment for management services provided to the Corporation. During the financial year ended July 31, 2026, Mr. Bhattacharyya received $30,000 (2025 - $30,000) as a payment for management services provided to the Corporation. During the financial year directors are also entitled to receive stock options in accordance with the terms of the Plan and TSXV requirements. Directors of the Corporation are reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board, committees of the Board or meetings of the shareholders of the Corporation. The Corporation has also obtained customary insurance for the benefit of its directors.

Actions, Decisions or Policies Made After July 31, 2026

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

Except as stated herein, no actions, decisions or policies have been made since July 31, 2026 that would affect a reader's understanding of the Corporation's NEO compensation.

Pension disclosure

The Corporation currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for the NEOs or directors of the Corporation.

See the disclosure under the heading "Securities Authorized under Equity Compensation Plans" herein for further information on the Corporation's proposed new share option plan which is proposed for approval at the Meeting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation's current Plan provides that the Board may, from time to time in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and technical consultants to the Corporation non-transferable stock options to purchase Common

Shares; provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. Options may be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to any individual director or officer may not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all consultants may not exceed 2% of the issued and outstanding Common Shares.

The following table sets out equity compensation Plan information as at the end of the financial year ended July 31, 2026:

Equity Compensation Plan Information

Plan	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column
Equity compensation plans approved by securityholders - the existing Plan	14,965,000	$1.35	3,573,306
Equity Compensation plans not approved by securityholders.	Nil	N/A	Nil
Total:	14,965,000	$1.35	3,573,306

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% shareholder of the Corporation. To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation, or any associate or affiliate of any informed person or proposed director, had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended July 31, 2026, or has any interest in any material transaction in the current year other than as set out herein and in a document previously disclosed to the public.

MANAGEMENT CONTRACTS

The business of the Corporation is managed by its directors and officers and the Corporation has no management agreement with persons who are not officers or directors of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of New Omnibus Stock Incentive Plan

At the Meeting shareholders will be asked to consider and, if deemed advisable, to approve the Corporation's proposed and new Omnibus Stock Incentive Plan. The Omnibus Stock Incentive Plan was approved by the Board on September 29, 2026, and remains subject to ratification by shareholders. The Omnibus Stock Incentive Plan is a "10% rolling plan" security-based compensation arrangement under which the maximum number of Common Shares issuable, in the aggregate, may not exceed 10% of the issued and outstanding Common Shares of the Corporation at any point in time. Because the number of Common Shares reserved is calculated as a fixed percentage of the issued and outstanding Common Shares, the number of Common Shares available for issuance under the Omnibus Stock Incentive Plan increases as the Corporation's issued and outstanding share capital increases from time to time. As of November 6, 2026, there were 16,205,000 Common Shares issuable pursuant to the exercise, if at all, of all stock options granted under the Corporation's existing Plan.

The Omnibus Stock Incentive Plan permits the Board to grant a variety of equity-based awards (each, an "**Award**"); and namely stock options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**"); to eligible directors, executive officers, employees, consultants (each, a "**Consultant**") and investor relations service providers (each, an "**Investor Relations Service Provider**"; and each as defined under TSX Venture Exchange ("**TSXV**") policy) of the Corporation, in order to align their interests with those of shareholders and to assist the Corporation in attracting, retaining and motivating qualified personnel. As of the date of this Circular, only Options are outstanding under the Corporation's existing Plan.

Under Policy 4.4 of the TSXV a security-based compensation arrangement that reserves a rolling maximum percentage of the issued and outstanding shares must be approved by shareholders at each annual meeting. Accordingly, shareholders are being asked at the Meeting to approve the proposed Omnibus Stock Incentive Plan.

A copy of the proposed Omnibus Stock Incentive Plan is attached to this Circular as Schedule "A".

Shareholder Approval

In accordance with the policies of the TSXV, the Omnibus Stock Incentive Plan will require the approval of the majority of the votes cast in person or by proxy at the Meeting by the shareholders. If the Omnibus Stock Incentive Plan is not approved and ratified at the Meeting, the Omnibus Stock Incentive Plan will terminate and be of no further force or effect from and after the termination of the Meeting with the existing Plan continuing thereafter.

Material Terms of the Omnibus Stock Incentive Plan

The foregoing information is intended to be a brief description of the Omnibus Stock Incentive Plan and is qualified in its entirety by the full text of the Omnibus Stock Incentive Plan; a copy of which is attached as Schedule "A" to this Circular.

Common Shares Subject to the Omnibus Stock Incentive Plan

The aggregate number of Common Shares issuable as Awards under the Omnibus Stock Incentive Plan in respect of Options, RSUs, PSUs and DSUs shall not exceed, in the aggregate, 10% of the Corporation's issued and outstanding Common Shares at any point in time. In addition, the following limits may apply

Investor Relations Service Provider limitations are as follows:

(a) Investor Relation Service Providers may only receive Options as Awards under the Omnibus Stock Incentive Plan;

(b) all Options granted to Investor Relations Service Providers will vest and become exercisable in stages over a period of not less than twelve months, with no more than one-quarter of such Options vesting and becoming exercisable in any three-month period; and

(c) the total number of Options issuable to Investor Relations Service Providers shall not exceed 2% of the issued and outstanding Shares in any 12-month period, calculated as at the date any Award is granted.

Additional Insider and Individual Limits are as follows:

(a) the total number of Options issuable to Investor Relations Service Providers shall not exceed 2% of the issued and outstanding Common Shares in any 12-month period, calculated as at the date any Award is granted; and

(b) the number of Common Shares issuable pursuant to Awards granted under the Omnibus Stock Incentive Plan:

(i) to Insiders (as a group) shall be no more than 10% of the issued and outstanding share capital at any point in time, and no more than 10% within any 12-month period, unless disinterested shareholder approval is obtained;

(ii) to any one person shall be no more than 5% of the issued and outstanding share capital within any 12-month period (or 2% for a Consultant); and

(iii) to all Investor Relations Service Providers in aggregate shall be no more than 2% of the issued and outstanding Common Shares within any 12-month period.

Eligibility

All officers, employees, Consultants, management company employees, Investor Relations Service Providers and directors are eligible to participate in the Omnibus Stock Incentive Plan. Participation in the Omnibus Stock Incentive Plan is voluntary, and eligibility to participate does not confer upon any eligible person any right to receive a grant of an Award. The extent to which

any eligible person is entitled to receive a grant of an Award will be determined in the discretion of the "**Plan Administrator**"; as defined under the Omnibus Stock Incentive Plan.

Types of Awards

Awards available under the Omnibus Stock Incentive Plan include Options, RSUs, PSUs and DSUs. Each Award may be denominated or settled in Common Shares, cash or in such other forms as provided for in the Omnibus Stock Incentive Plan.

Blackout Periods

In the event that an Award expires at a time when an undisclosed material change or material fact in the affairs of the Corporation exists, the expiry of such Award will be extended to a date that is no later than ten business days after the expiry of the blackout period formally imposed by the Corporation pursuant to its internal trading policies as a result of the undisclosed material change or material fact.

Termination of Employment or Services

The following describes the impact of certain events upon the participants under the Omnibus Stock Incentive Plan (each, a "**Participant**"), including termination for cause, resignation, termination without cause, disability, death or retirement, subject in each case to the terms of a Participant's service agreement, if any, or Option award agreement, with the Corporation.

In the event of a termination for cause, all unexercised Options or other Awards are immediately forfeited and cancelled as of the termination date (the "**Termination Date**"). In the event of termination without cause, a pro-rated portion of unvested Awards immediately vest (calculated as: unvested Awards x (days from date of grant (the "**Date of Grant**") to the Termination Date / days from Date of Grant to original scheduled vesting date)). Such Awards may be exercised until the earlier of: (i) the expiry date (the "**Expiry Date**"); and (ii) 90 days after the Termination Date.

In the case of a resignation, all unexercised Options or other Awards are forfeited and cancelled as of the date that is 90 days following the Termination Date. In the case of retirement unvested Awards continue to vest in accordance with their terms and may be exercised until the earlier of: (i) the Expiry Date; and (ii) the first anniversary of the date of retirement. Awards are immediately forfeited if, following retirement, the Participant commences employment or service with a person carrying on a business competitive with the Corporation.

In the event of a death, all unvested Options or other Awards vest immediately on the date of death and may be exercised until the earlier of: (i) the Expiry Date; and (ii) the first anniversary of the date of death. In the case of a disability, where a Participant becomes disabled, any Option that has not vested as of the date of disability shall continue to vest in accordance with its terms and may be exercised until the earlier of: (i) the Expiry Date; and (ii) the first anniversary of the Participant's date of disability.

In the case of a change of control (a "**Change of Control**"; as defined in the Omnibus Stock Incentive Plan"), if the Corporation enters into an agreement relating to a transaction which, if completed, would result in a Change in Control, or otherwise become aware of a pending Change

in Control, the Board may, in its sole discretion, accelerate the vesting and/or the expiry date of any or all outstanding Awards to provide that, notwithstanding the vesting provisions of such Awards or any grant agreement, such designated outstanding Awards shall be fully performed and/or vested and conditionally exercisable upon, or prior to, the completion of the Change in Control; provided that the Board shall not, in any case, authorize the exercise of Awards beyond the expiry date of the Awards.

Transferability

Except as permitted by the TSXV, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, is permitted. Any purported assignment or transfer immediately causes such Awards to terminate and be of no further force or effect.

By accepting an Award, each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of the Award.

Amendments to the Omnibus Stock Incentive Plan

The Plan Administrator may, from time to time, without notice and without shareholder approval, amend, modify, change, suspend or terminate the Omnibus Stock Incentive Plan or any Awards, provided that: (i) no such action may materially impair any rights of a Participant or materially increase any obligations of a Participant without that Participant's consent, unless required to comply with applicable securities laws or TSXV requirements; and (ii) any amendments are subject to TSXV approval.

Shareholder approval (and disinterested shareholder approval where required under TSXV policy) is required for any amendment that:

(a) increases the percentage of Common Shares reserved for issuance under the Omnibus Stock Incentive Plan;

(b) increases or removes the limitations set out in the share reserve and limits provisions;

(c) allows for the grant to Insiders (as a group) within a 12-month period of Awards exceeding 10% of the Corporation's issued Common Shares;

(d) allows for the grant to any one Participant within a 12-month period of Awards exceeding 5% of the Corporation's issued Common Shares;

(e) reduces the exercise price of an Award to an Insider;

(f) extends the term of an Award beyond its original Expiry Date (except where the Expiry Date fell within a blackout period);

(g) increases or removes limits on director participation; and

(h) permits Awards to be transferred to a person or changes the eligible Participants of the Omnibus Stock Incentive Plan.

Permitted Amendments (No Shareholder Approval)

Without limiting the generality of the foregoing, the Omnibus Stock Incentive Plan Administrator may, without shareholder approval, amend the Omnibus Stock Incentive Plan for the purposes of: (i) making amendments to the general vesting provisions of each Award; (ii) adding covenants of the Corporation for the protection of Participants; (iii) making amendments not inconsistent with the Omnibus Stock Incentive Plan as may be necessary or desirable with respect to matters which, in the good faith opinion of the Omnibus Stock Incentive Plan Administrator, are expedient to make, including amendments desirable as a result of changes in law; or (iv) making changes or corrections required to cure any ambiguity, defect, inconsistent provision, clerical omission, mistake or manifest error.

The Omnibus Stock Incentive Plan must be approved by at least a majority of the votes cast by the shareholders present or represented by proxy at the Meeting. Unless a proxy specifies that the Common Shares it represents should be voted against the approval and ratification of the Omnibus Stock Incentive Plan or voted in accordance with the specification in the proxy, the named proxyholders intend to vote FOR the approval and ratification of the Omnibus Stock Incentive Plan.

Shareholder Approval

At the Meeting shareholders will be asked to consider and vote on the ordinary resolution to approve the new Omnibus Stock Incentive Plan, and with or without variation, as follows:

RESOLVED as an ordinary resolution that:

1. the Corporation's Omnibus Stock Incentive Plan, being a 10% rolling plan, in the form attached as "Schedule A" to the Corporation's management information circular dated November 10, 2026, is approved, including the reserving for issuance under the Omnibus Stock Incentive Plan (and all other security based compensation arrangements of the Corporation) at any time of a maximum of 10% of the issued and outstanding common shares of the Corporation from time to time, subject to regulatory approval, all as more particularly described in the Corporation's management information circular dated November 10, 2026;

2. any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and, if appropriate, deliver all other documents and instruments and do all other things as in the opinion of such director or officer may be necessary or advisable to implement this resolution and the matters authorized hereby;

3. to the extent permitted by law, the Corporation be authorized to abandon all or any part of the Omnibus Stock Incentive Plan if the Board deems it appropriate and in the best interest of the Corporation to do so; and

4. any one or more directors and officers of the Corporation be authorized to perform all such acts, deeds and things and execute, under seal of the Corporation or otherwise, all such documents as may be required to give effect to this resolution.

The Board recommends shareholders vote in favour of the approval of the Omnibus Stock Incentive Plan.

In the absence of a contrary instruction, the persons named in the enclosed form of Proxy intend to vote in favour of the above ordinary resolution. An ordinary resolution is a resolution passed by the shareholders of the Corporation at a general meeting by a simple majority of the votes cast in person or by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is included in the audited financial statements of the Corporation for the year ended July 31, 2026; a copy of which have been filed on www.sedarplus.ca.

Additional information is also available upon request from the Corporation's CEO at the office of the Corporation. The Corporation's telephone number is (604) 568-4962.

OTHER MATTERS

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

SHAREHOLDER PROPOSALS

Pursuant to Canadian law, shareholder proposals to be considered for inclusion in the information circular for the 2027 annual meeting of the Corporation (expected to be held in December 2027) must be received by the Secretary of the Corporation on or before the close of business on September 15, 2027.

DIRECTORS' APPROVAL

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

Dated at Vancouver, British Columbia, Canada, on this 10th day of November, 2026.

BY ORDER OF THE BOARD OF DIRECTORS OF THE CORPORATION

"***David Austin***"

David Austin
President, Chief Executive Officer and a director



TSX-V: CAD

Schedule "A"

FORM OF NEW OMNIBUS STOCK INCENTIVE PLAN

Refer to the Corporation's new form of proposed Omnibus Stock Incentive Plan as attached hereto.

TSX-V: CAD

COLONIAL COAL INTERNATIONAL CORP.

OMNIBUS STOCK INCENTIVE PLAN

Dated for Reference: December 16, 2026

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COLONIAL COAL INTERNATIONAL CORP.

OMNIBUS STOCK INCENTIVE PLAN

Colonial Coal International Corp. (the "**Corporation**") hereby establishes an Omnibus Stock Incentive Plan (the "**Plan**") to advance the interests of the Corporation by encouraging equity participation in the Corporation through the acquisition of various stock-based compensation awards of the Corporation. It is the intention of the Corporation that this Plan will at all times be in compliance with TSX Venture Exchange ("**TSXV**") Policies and any inconsistencies between this Plan and TSXV Policies will be resolved in favour of the latter.

ARTICLE 1
PURPOSE

Section 1.1 Purpose

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees, Consultants and Investor Relations Service Providers, to reward such of those Directors, Employees, Consultants and Investor Relations Service Providers as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Directors, Employees, Consultants and Investor Relations Service Providers to acquire Shares as long term investments and proprietary interests in the Corporation.

ARTICLE 2
INTERPRETATION

Section 2.1 Definitions

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

(1) "**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time;

(2) "**Award**" means any Option, Deferred Share Unit, Restricted Share Unit or Performance Share Unit granted under this Plan, which may be denominated or settled in Shares, cash or in such other forms as provided for herein;

(3) "**Award Agreement**" means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, and evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be

identical to any other such agreements, and including, without limitation, an Option Commitment or an RSU Grant Agreement;

(4) "**BCA**" means the *Business Corporations Act* (Alberta);

(5) "**Board**" means the board of directors of the Corporation as it may be constituted from time to time;

(6) "**Business Day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver, Province of British Columbia, Canada, are open for commercial business during normal banking hours;

(7) "**Canadian Taxpayer**" means a Participant that is resident in Canada for purposes of the Tax Act;

(8) "**Cash Fees**" has the meaning set forth in Subsection 5.1(a); "**Cause**" means, with respect to:

(a) a particular Employee: (1) "cause" as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee; (2) in the event there is no written or other applicable employment agreement between the Corporation or a subsidiary of the Corporation or "cause" is not defined in such agreement, "cause" as such term is defined in the Award Agreement; or (3) in the event neither clause (1) nor (2) apply, then "cause" as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where an employer can terminate an individual's employment without notice or pay in lieu thereof;

(b) in the case of a Consultant or Investor Relations Service Provider: (1) the occurrence of any event which, under the written consulting contract with the Consultant or Investor Relations Service Provider or the common law or the laws of the jurisdiction in which the Consultant or Investor Relations Service Provider provides services, gives the Corporation or any of its Affiliates the right to immediately terminate the consulting contract; or (2) the termination of the consulting contract as a result of an order made by any Regulatory Authority having jurisdiction to so order;

(c) in the case of a Director, ceasing to be a Director as a result of: (1) ceasing to be qualified to act as a Director pursuant to the BCA; (2) a resolution having been passed by the shareholders pursuant to the BCA; or (3) an order made by any Regulatory Authority having jurisdiction to so order; or

(d) in the case of an Officer: (1) cause as such term is defined in the written employment agreement with the Officer or if there is no written employment agreement or cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Officer provides services; or (2) ceasing to be an Officer as a result of an order made by any Regulatory Authority having jurisdiction to so order.

(9) "**Change of Control**" means (i) the acceptance of an offer by a sufficient number of holders of shares of the Corporation to constitute the offeror, together with persons acting jointly or in concert with the offeror, a shareholder of the Corporation being entitled to exercise more than fifty (50%) percent of the voting rights attaching to the outstanding shares (provided that prior to the offer, the offeror was not entitled to exercise more than fifty (50%) percent of the voting rights attaching to the outstanding shares); (ii) the completion of a consolidation, merger or amalgamation of the Corporation with or into any other entity whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than fifty (50%) percent of the voting rights attaching to the outstanding securities of the consolidated, merged or amalgamated entity; (iii) the completion of a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other entity and the voting shareholders of the Corporation immediately prior to that sale hold less than fifty (50%) percent of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale; or (iv) the first day on which a majority of the members of the Board are not current Directors;

(10) "**Commencement Date**" has the meaning set forth in Section 9.1(e); and "**Committee**" has the meaning set forth in Section 3.2;

(11) "**Consultant**" means, in relation to the Corporation, an individual (other than a Director, Officer or Employee of the Corporation or any of its subsidiaries) or company that:

(a) is engaged to provide services on an ongoing bona fide basis, consulting, technical management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a Distribution;

(b) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or the Corporation, as the case may be; and

(c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a subsidiary of the Corporation;

(12) "**Consultant Company**" means a Consultant that is a company; and "**Control**" means:

(a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;

(b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and

(c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than fifty (50%) percent of the property settled under the trust, and the words "**Controlled by**", "**Controlling**" and similar words have corresponding

meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

(13) "**Corporation**" means Colonial Coal International Corp. and includes, unless the context otherwise requires, all of its successors according to law;

(14) "**Date of Grant**" means, for any Award, the current date or future date specified by the Plan Administrator at the time it grants the Award or, if no such date is specified, the date upon which the Award was granted;

(15) "**Deferred Share Unit**" or "**DSU**" means any right granted under Article 5 of this Plan; and "**Director**" means a director of the Corporation who is not an Employee;

(16) "**Director Fees**" means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;

(17) "**Disabled**" or "**Disability**" means, in respect of a Participant, suffering from a state of mental or physical disability, illness or disease that prevents the Participant from carrying out his or her normal duties as an Employee for a continuous period of six months or for any period of 180 days in any consecutive twelve month period, as certified by two medical doctors or as otherwise determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

(18) "**Discounted Market Price**" means (a) if the Market Price is not greater than $0.05, then Market Price (subject to a minimum price per security of $0.01); or (b) if the Market Price is greater than $0.05, then the Market Price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per security of $0.05): (i) up to $0.50 - 25%; (ii) $0.51 to $2.00 - 20%; and (iii) above $2.00 - 15%; all as ascribed by TSXV Policy 1.1-*Interpretation*;

(19) "**Disinterested Shareholders Approval**" means approval in accordance with the TSX Venture Exchange Policy Section 4.4 by the Corporation's shareholders at a duly constituted meeting of shareholders, excluding: (i) votes attached to the Shares beneficially owned by Insiders to whom Awards may be granted under this Plan and the Associates and the Affiliates of such Insiders; and (ii) such other excluded votes as described under the TSX Venture Exchange Policy Section 4.4, as such policy may be amended, supplemented or replaced from time to time;

(20) "**Effective Date**" means the effective date of this Plan, being December ●, 2026;

(21) "**Elected Amount**" has the meaning set forth in Subsection 5.1(a);

(22) "**Electing Person**" means a Participant who is, on the applicable Election Date, a Director;

(23) "**Election Date**" means the date on which the Electing Person files an Election Notice in accordance with Subsection 5.1(b);

(24) "**Election Notice**" has the meaning set forth in Subsection 5.1(b);

(25) "**Employee**" means

(a) an individual who is considered an employee of the Corporation or of its subsidiary under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;

(b) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or

(c) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum of twenty (20) hours per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source;

(26) "**Exchange**" means the TSX Venture Exchange and any other exchange on which the Shares are or may be listed from time to time;

(27) "**Exchange Hold Period**" means the four month resale restriction imposed by the Exchange on the shares, as more particularly described in the Exchange's Policy 1.1- *Interpretation*, as such policy may be amended, supplemented or replaced from time to time;

(28) "**Exercise Notice**" means a notice in writing, signed by a Participant and stating the Participant's intention to exercise a particular Option, if applicable, in the form attached hereto as Schedule B;

(29) "**Exercise Price**" means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

(30) "**Expiry Date**" means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

(31) "**Insider**" has the meaning given to such term in the Exchange's Policy 1.1 - *Interpretation*, as such policy may be amended, supplemented or replaced from time to time;

(32) "**Investor Relations Activities**" means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

(a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:

(i) to promote the sale of products or services of the Corporation; or

(ii) to raise public awareness of the Corporation;

that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

(b) activities or communications necessary to comply with the requirements of:

(i) applicable securities laws; and

(ii) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or Exchange having jurisdiction over the Corporation;

(c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

(i) the communication is only through the newspaper, magazine or publication; and

(ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

(d) activities or communications that may be otherwise specified by an Exchange.

(33) "**Investor Relations Service Providers**" includes any Consultant that performs Investor Relations Activities and any Director, Officer or Employee whose role and duties primarily consist of Investor Relations Activities.

(34) "**Management Company Employee**" means an individual employed by a company providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities.

(35) "**Market Price**" at any date in respect of the Shares shall be the volume weighted average closing price of the Shares on the Exchange, for the five trading days immediately preceding the Date of Grant (or, if such Shares are not then listed and posted for trading on the Exchange, on such stock exchange on which the Shares are listed and

posted for trading as may be selected for such purpose by the Board); provided that, for so long as the Shares are listed and posted for trading on the Exchange, the Market Price shall not be less than the market price, as calculated under the policies of the Exchange. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;

(36) "**Officer**" means an officer (as defined under Securities Laws) of the Corporation or of any of its subsidiaries;

(37) "**Option Commitment**" means the notice of grant of an Option delivered by the Corporation hereunder to a Participant and substantially in the form set out in Schedule A hereto;

(38) "**Option Shares**" means Shares issuable by the Corporation upon the exercise of outstanding Options;

(39) "**Participant**" means an Officer, Employee, Consultant, Management Company Employee, an Investor Relations Service Provider or Director to whom an Award has been granted under this Plan;

(40) "**Participant's Employer**" means with respect to a Participant that is or was an Employee, the Corporation or such subsidiary of the Corporation as is or, if the Participant has ceased to be employed by the Corporation or such subsidiary of the Corporation, was the Participant's Employer;

(41) "**Performance Goals**" means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

(42) "**Performance Share Unit**" or "**PSU**" means any right granted under Article 7 of this Plan;

(43) "**Person**" means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

(44) "**Plan**" means this Omnibus Stock Incentive Plan, as may be amended from time to time;

(45) "**Plan Administrator**" means the Board or, to the extent that the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

(46) "**Restricted Share Unit**" or "**RSU**" means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;

(47) "**Retirement**" means, unless otherwise defined in the Participant's written or other applicable employment agreement or in the Award Agreement, the termination of the Participant's working career at the age of 67 or such other retirement age, with consent of the Plan Administrator, if applicable;

(48) "**RSU Grant Agreement**" means a written letter agreement between the Corporation and a Participant evidencing a grant of RSUs and the terms and conditions thereof, such RSU Grant Agreement to be substantially in the form of Schedule C hereto;

(49) "**Securities Laws**" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

(50) "**Security Based Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Participants;

(51) "**Share**" means one common share in the capital of the Corporation as constituted on the Effective Date, or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 11, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

(52) "**subsidiary**" means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary, provided that, in the case of a Canadian Taxpayer, the issuer is related (for purposes of the Tax Act) to the Corporation;

(53) "**Tax Act**" means the *Income Tax Act* (Canada); and

(54) "**Termination Date**" means:

(a) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation in a written employment agreement, or other written agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no written employment agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which an Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be; provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date that notice of resignation was given, and

"Termination Date" specifically does not mean the date of termination of any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant; or

(b) in the case of a Consultant whose consulting agreement or arrangement with the Corporation or a subsidiary of the Corporation, as the case may be, terminates, the date that is designated by the Corporation or the subsidiary of the Corporation (as the case may be), as the date on which the Participant's consulting agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant's consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given, and "Termination Date" specifically does not mean the date on which any period of notice of termination that the Corporation or the subsidiary of the Corporation (as the case may be) may be required to provide to the Participant under the terms of the consulting agreement or arrangement expires.

Section 2.2 Interpretation

(1) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Plan Administrator.

(2) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.

(3) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(4) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.

(5) Unless otherwise specified, all references to money amounts are to Canadian currency.

(6) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3
ADMINISTRATION

Section 3.1 Administration

This Plan will be administered by the Plan Administrator and except as otherwise provided for herein, the Plan Administrator has sole and complete authority, in its discretion, to:

(1) determine the individuals to whom grants of Awards under the Plan may be made;

(2) make grants of Awards under the Plan, whether relating to the issuance of Shares or otherwise (including any combination of Options, Deferred Share Units, Restricted Share Units or Performance Share Units), in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:

(a) the time or times at which Awards may be granted;

(b) the conditions under which:

(i) Awards may be granted to Participants; or

(ii) Awards may be forfeited to the Corporation, including vesting and any conditions relating to the attainment of specified Performance Goals;

(c) the number of Shares to be covered by any Award;

(d) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;

(e) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and

(f) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine, subject to the requirements set out in TSX Venture Exchange Policy Section 4.4, as such policy may be amended, supplemented or replaced from time to time;

(3) establish the form or forms of Award Agreements;

(4) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;

(5) construe and interpret this Plan and all Award Agreements;

(6) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub- plans

established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(7) if an Award is to be granted to Employees, Consultant or Management Company Employees, the Plan Administrator and the Participant to whom that Award is to be granted are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Management Company Employee; and

(8) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

Section 3.2 Delegation to Committee

(1) The initial Plan Administrator shall be the Board.

(2) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the "**Committee**") all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

Section 3.3 Determinations Binding

Except as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation and all subsidiaries of the Corporation, the affected Participant(s), their respective legal and personal representatives and all other Persons.

Section 3.4 Eligibility

All Officers, Employees, Consultants, Management Company Employees, Investor Relations Service Providers and Directors are eligible to participate in the Plan, subject to Section 9.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Officer, Employee, Consultant, Management Company Employee, Investor Relations Service Provider or Director any right to receive any grant of an Award pursuant to the Plan. The extent to which any Officer, Employee, Consultant, Management Company Employee, Investor Relations Service Providers or Director is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator.

Section 3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable

pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

Section 3.6 Total Shares Subject to Awards

(1) In respect of Options, so long as it may be required by the rules and policies of the Exchange:

(a) the aggregate number of Shares issuable under this Plan in respect of Options, Deferred Share Units, Restricted Share Units and Performance Share Units shall not exceed in the aggregate ten (10%) percent of the Corporation's issued and outstanding Shares at any point in time;

(b) Investor Relations Service Providers may only receive Options as Awards under this Plan;

(c) all Options granted to Investor Relations Service Providers will vest and become exercisable in stages over a period of not less than twelve months, with no more than one-quarter (1/4) of such Options vesting and becoming exercisable in any three month period; and

(d) the total number of Options issuable to Investor Relations Service Providers shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve month period, calculated as at the date any Award is granted.

(2) Any exercise of Options, Deferred Share Units, Restricted Share Units and Performance Share Units does increase the available number of Options, Deferred Share Units, Restricted Share Units and Performance Share Units issuable under the Plan.

(3) In the event of a Cashless Exercise or Net Exercise, it is the the number of Options exercised, surrendered or converted, and not the number of listed Shares actually issued by the Corporation, that must be included in calculating the limits set forth in Section 3.6 and Section 3.7 of the Plan.

Section 3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan:

(1) If the Corporation is subject to the policies of the Exchange, the number of Shares issuable pursuant to Awards granted under the Corporation's Security Based

Compensation Arrangements in existence from time to time on and after the effective date of the Plan:

(a) to Insiders (as a group) shall be no more than 10% of the issued and outstanding share capital of the Corporation at any point in time, unless the Corporation has obtained Disinterested Shareholder Approval;

(b) to Insiders (as a group) shall be no more than 10% of the issued and outstanding share capital of the Corporation within any 12 month period, calculated as at the date any Award is granted to any Insider, unless the Corporation has obtained Disinterested Shareholder Approval;

(c) to any one Person, shall be no more than 5% of the issued and outstanding share capital of the Corporation within any 12 month period, calculated as at the date any Award is granted, with the exception of a Consultant who may not receive grants of more than 2% of the issued and outstanding share capital of the Corporation within any 12 month, calculated as at the date any Award is granted; and

(d) to all Investor Relations Service Providers, shall be no more than an aggregate of 2% of the number of issued and outstanding Shares in the capital of the Corporation within any 12 month period, calculated as at the date any Award is granted, and shall only include Awards of Options;

(2) if the recipient of an Award is a company, excluding Participants that are Consultant Companies, then such recipient must provide the Exchange with a completed Certification and Undertaking Required from a Company Granted Security Based Compensation in the form of Schedule "A" to Form 4G - *Summary Form – Security Based Compensation*, as such form may be amended, supplemented or replaced from time to time; and

(3) if the Corporation is subject to the policies of the Exchange then the aggregate number of Shares:

(a) issuable to Insiders at any time under all of the Corporation's Security Based Compensation Arrangements, shall not exceed 10% of the Corporation's total issued and outstanding Shares; and

(b) issued to Insiders within any one year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed 10% of the Corporation's total issued and outstanding Shares.

Section 3.8 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one Officer of the Corporation is authorized and empowered to execute and deliver, for and on

behalf of the Corporation, any Award Agreement to a Participant granted an Award pursuant to this Plan.

Section 3.9 Non-transferability of Awards

Except as permitted by the Exchange, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by law (and in accordance with Section 9.1(4)), no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

ARTICLE 4
OPTIONS

Section 4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

Section 4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the greater of (i) the Discounted Market Price on the Date of Grant and (ii) $0.05.

Section 4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date and the Plan Administrator will ensure that no Option shall be exercised beyond the date permitted by the Exchange, subject to a maximum exercise period of no more than ten years unless extended pursuant to Section 8.2 of the Plan.

Section 4.4 Vesting and Exercisability

(1) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options provided that for so long as the Corporation is listed on the Exchange:

(a) Options granted to Investor Relations Service Providers shall be subject to the vesting requirements set out in TSX Venture Exchange Policy Section 4.4, namely, that such Options must vest in stages over a period of not less than 12 months such that:

(i) no more than 1/4 of the Options vest no sooner than 3 months after the Options were granted;

(ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;

(iii) no more than another 1/4 of the Stock Options vest no sooner than nine months after the Stock Options were granted; and

(iv) the remainder of the Options vest no sooner than 12 months after the Options were granted; and

(b) Subject to Section 4.4(1)(a), Options granted to all other Participants shall be subject to the vesting requirements determined by the Plan Administrator.

(2) Once an instalment becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option or instalment may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any instalment of any Option, other than an Option granted to an Investor Relations Service Provider, becomes exercisable. Notwithstanding the following, Options granted to an Investor Relations Activities Service Provider cannot be accelerated without the prior acceptance of the Exchange.

(3) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.

(4) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

Section 4.5 Payment of Exercise Price

(1) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include: (i) in the event that payment of the Exercise Price is occurring via cashless exercise in accordance with Sections 4.6 and 4.7 of this Plan, respectively, through an arrangement with a broker or other third party approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option; or (ii) such other consideration and method of payment for the issuance of Shares

to the extent permitted by the Exchange and Securities Laws, or any combination of the foregoing methods of payment.

(2) No Shares will be issued or transferred until full payment therefor has been received by the Corporation.

Section 4.6 Option Commitments

Options shall be evidenced by an Option Commitment substantially in the form attached as Schedule A (or in such other form of Award Agreement as determined by the Corporation). The Option Commitment shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

Section 4.7 Cashless Exercise

Subject to prior approval by the Board, where the Corporation has an arrangement with a brokerage firm or other third party pursuant to which the party will loan money to a Participant to purchase the Shares underlying Options, the Participant may borrow money from such party to exercise Options. The brokerage firm or other third party will then sell a sufficient number of Shares to cover the Exercise Price of such Option in order to repay the loan made to the Participant. The brokerage firm or other third party will receive an equivalent number of Shares from the exercise of such Options and the Participant will receive the balance of the Shares or the cash proceeds from the balance of such Shares.

Section 4.8 Net Exercise of Options

Subject to prior approval by the Board, a Participant other than an Investor Relations Service Provider, may elect to surrender for cancellation to the Corporation any vested Option. The Corporation will issue to the Participant, as consideration for the surrender of the Option, that number of Option Shares (rounded down to the nearest whole number) determined on a net issuance basis in accordance with the following formula below. The Corporation may elect to forego any deduction in accordance with subsection 110(1.1) of the Tax Act in respect of such surrender:

$$X = \frac{Y (A - B)}{A}$$

where:

X = The number of Option Shares issuable to the Participant as consideration in respect of the exchange or surrender of an Option under this Section 4.7;

Y = The number of Option Shares issuable with respect to the vested portion of the Option exercised by the Participant (the "**Subject Options**");

A = The VWAP of the Shares; and B = The Exercise Price of the Subject Options.

ARTICLE 5
DEFERRED SHARE UNITS

Section 5.1 Granting of DSUs

(1) The Plan Administrator may fix, from time to time, a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 5.1(b) to participate in the grant of additional DSUs pursuant to this Article 5. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 5 shall receive their Elected Amount (as that term is defined below) in the form of DSUs in lieu of cash. The "**Elected Amount**" shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that are otherwise intended to be paid in cash (the "**Cash Fees**").

(2) Each Electing Person who elects to receive their Elected Amount in the form of DSUs in lieu of cash will be required to file a notice of election in the form of Schedule E hereto (the "**Election Notice**") with the Chief Financial Officer of the Corporation by June 30th in the year prior to the year to which such election is to apply.

(3) Subject to Subsection 5.1(d), the election of an Electing Person under Subsection 5.1(b) shall be deemed to apply to all Cash Fees that would be paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.

(4) Each Electing Person is entitled once per calendar year to terminate his or her election to receive DSUs in lieu of Cash Fees by filing with the Chief Financial Officer of the Corporation a notice in the form of Schedule B hereto. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a "black-out" on trading. Thereafter, any portion of such Electing Person's Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 5.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 5, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs in lieu of cash again until the calendar year following the year in which the termination notice is delivered.

(5) Any DSUs granted pursuant to this Article 5 prior to the delivery of a termination notice pursuant to Section 5.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.

(6) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any compensation that is to be paid in DSUs (including Director Fees and any Elected Amount), as determined by the Plan Administrator, by (ii) the Market Price of a Share on the Date of Grant.

(7) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

Section 5.2 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

Section 5.3 Vesting of DSUs

Subject to TSX Venture Exchange Policy Section 4.4, the Plan Administrator shall have the authority to determine the vesting terms applicable to grants of DSUs, which, for certainty, shall not be before the date that is one year following the date of the grant, except if otherwise authorized under Section 9.2.

Section 5.4 Settlement of DSUs

(1) DSUs shall be settled on the date established in the Award Agreement; provided, however that, notwithstanding any other terms of this Plan to the contrary, in no event shall a DSU Award be settled prior to, or later than one year following, the date of the applicable Participant's separation from service. If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of separation from service. Except as otherwise provided in an Award Agreement, on the settlement date for any DSU, the Participant shall redeem each vested DSU will be redeemed for:

(a) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct; or

(b) a cash payment; or

(c) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above;

in each case as determined by the Plan Administrator in its discretion.

(2) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

(3) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.

ARTICLE 6
RESTRICTED SHARE UNITS

Section 6.1 Granting of RSUs

(1) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of services rendered in the year of grant. The terms and conditions of each RSU grant shall be evidenced by an Award Agreement.

(2) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 6 will be calculated by dividing (i) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the Market Price of a Share on the Date of Grant.

Section 6.2 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

Section 6.3 Vesting of RSUs

Subject to the TSX Venture Exchange Policy Section 4.4, the Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, which, for certainty, shall not be before the date that is one year following the date of the grant, except if otherwise authorized under Section 9.2.

Section 6.4 Settlement of RSUs

(1) The Plan Administrator shall have the sole authority to determine the settlement terms, including time of settlement, applicable to the grant of RSUs and such terms will be set forth in the applicable Award Agreement. Subject to 11.2 below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for:

(a) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct; or

(b) a cash payment; or

(c) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above;

in each case as determined by the Plan Administrator in its discretion.

(2) Any cash payments made under this Section 6.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

(3) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.

(4) Subject to Section 11.2 below and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 6.4 any later than the final Business Day of the third calendar year following the year in which the RSU is granted.

ARTICLE 7
PERFORMANCE SHARE UNITS

Section 7.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Employee and Director in respect of services rendered in the year of grant. The terms and conditions of each PSU grant shall be evidenced by an Award Agreement. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 7.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

Section 7.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of an Employee or Director's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

Section 7.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with an Employee or Director. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

Section 7.4 PSU Account

All PSUs received by an Employee or Director shall be credited to an account maintained for the Employee or Director on the books of the Corporation, as of the Date of Grant.

Section 7.5 Vesting of PSUs

Subject to TSX Venture Exchange Policy Section 4.4, the Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, which, for certainty, shall not be before the date that is one year following the date of the grant, except if otherwise authorized under Section 9.2.

Section 7.6 Settlement of PSUs

(1) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSU, which shall be set forth in the applicable Award Agreement. Subject to Section 11.2 below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Employee or Director shall redeem each vested PSU will be redeemed for:

(a) one fully paid and non-assessable Share issued from treasury to the Employee or Director or as the Employee or Director may direct;

(b) a cash payment; or

(c) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above;

(d) in each case as determined by the Plan Administrator in its discretion.

(2) Any cash payments made under this Section 7.6 by the Corporation to an Employee or Director in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

(3) Payment of cash to Employees and Directors on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.

(4) Subject to Section 11.2 below and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 7.6 any later than the final Business Day of the third calendar year following the year in which the PSU is granted.

ARTICLE 8
ADDITIONAL AWARD TERMS

Section 8.1 Dividend Equivalents

(1) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, and subject to the restrictions of the Exchange set out in Subsection 3.7(1) above (if the Corporation is subject to the policies of the Exchange), as part of a Participant's grant of DSUs, PSUs or RSUs (as applicable) and in respect of the services

provided by the Participant for such original grant, DSUs, PSUs and RSUs (as applicable) shall be credited with dividend equivalents in the form of additional DSUs, PSUs or RSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be in the amount a Participant would have received if the DSUs, PSUs or RSUs had been settled for Shares on the record date of such dividend. Dividend equivalents credited to a Participant's account shall be subject to the same terms and conditions, including vesting and time of settlement, as the DSUs, PSUs or RSUs, as applicable, to which they relate. Notwithstanding any other terms of this Plan, if the number of securities issued as dividend equivalents, together with all of the Corporation's other share-based compensation would exceed any of the limits set forth in this Plan or TSX Venture Exchange Policy Section 4.4, then the Corporation may make payment for such dividend in cash to the extent that it does not have a sufficient number of Shares available under this Plan to satisfy its obligations in respect of such dividends.

(2) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

Section 8.2 Blackout Period

In the event that an Award expires, at a time when an undisclosed material change or material fact in the affairs of the Corporation exists, subject to the requirements of TSX Venture Exchange Policy Section 4.4, the expiry of such Award will be extended to a date that is no later than ten (10) business days after the expiry of the blackout period formally imposed by the Corporation pursuant to its internal trading policies as a result of the undisclosed material change or material fact.

Section 8.3 Withholding Taxes

(1) Notwithstanding any other terms of this Plan, and subject to TSX Venture Exchange Policy Section 4.4, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or an Affiliate of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or an Affiliate of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of

the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

(2) If the Corporation does not withhold an amount or require payment of an amount by a Participant sufficient to satisfy all obligations referred to in 8.3(a) the Participant shall forthwith make reimbursement, on demand, in cash, of any amount paid by the Corporation to a governmental authority to satisfy any such obligation.

Section 8.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation and in effect at the Date of Grant of the Award, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 8.4 to any Participant or category of Participants.

ARTICLE 9
TERMINATION OF EMPLOYMENT OR SERVICES

Section 9.1 Termination of Employment, Services or Director

Subject to Section 9.2, unless otherwise determined by the Plan Administrator and set forth in an employment agreement, Award Agreement or other written agreement, but always subject to any restrictions in Section 4.11 of TSX Venture Exchange Policy Section 4.4:

(1) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;

(2) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant, then any Option or other Award held by the Participant that has not been exercised as of the date that is ninety (90) days following the Termination Date shall be immediately forfeited and cancelled as of such date;

(3) subject to Section 4.6 of TSX Venture Exchange Policy Section 4.4, where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then a portion of any unvested Options or other Awards shall immediately vest, such portion to be equal to the number of unvested Options or other Awards held by the Participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the Date of Grant and

the Termination Date and the denominator of which is the number of days between the Date of Grant and the date any unvested Options or other Awards were originally scheduled to vest, which vested Options or other Awards may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date or any other date determined by the Plan Administrator. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;

(4) where a Participant becomes Disabled, then any Option held by the Participant that has not vested as of the date of the Disability of such Participant shall continue to vest in accordance with its terms and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the first anniversary of the Participant's date of Disability. Any Option that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;

(5) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Option or other Award held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the first anniversary of the date of the death of such Participant. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;

(6) where a Participant's employment, consulting agreement or arrangement is terminated due to Retirement, then any Option or other Award held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the first anniversary of the Participant's date of Retirement. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period. Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option or other Award held by the Participant that has not been exercised as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;

(7) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:

(a) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or

(b) the date of the death, Disability or Retirement of the Participant; and

(8) notwithstanding Subsection 9.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee, Consultant, Investor Relations Service Provider, as applicable, of the Corporation or a subsidiary of the Corporation.

Section 9.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 9.1 but subject to compliance with the policies of the Exchange, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator. Notwithstanding the following, Options granted to Investor Relations Service Providers cannot be accelerated without the prior acceptance of the Exchange.

Participants' Entitlement

Except as otherwise provided in this Plan, Awards previously granted under this Plan are not affected by any change in the relationship between, or ownership of, the Corporation and an Affiliate of the Corporation. For greater certainty, all grants of Awards remain outstanding and are not affected by reason only that, at any time, an Affiliate of the Corporation ceases to be an Affiliate of the Corporation.

ARTICLE 10
EVENTS AFFECTING THE CORPORATION

Section 10.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such

action referred to in this ARTICLE 10 would have an adverse effect on this Plan or on any Award granted hereunder.

Section 10.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

(1) subject to the prior approval of the Exchange, where applicable, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause: (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; provided that such Participant ceases to be an eligible Participant under this Plan upon such change of control; (iii) subject to prior acceptance by the Exchange, the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Corporation without payment); (iv) subject to prior acceptance by the Exchange, the replacement of such Award with other rights or property selected by the Board in its sole discretion; or (v) subject to prior acceptance by the Exchange, any combination of the foregoing. In taking any of the actions permitted under this Subsection 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 10.2(a)) any property in connection with a Change of Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted. Notwithstanding the foregoing, in the case of DSUs held by a Canadian Taxpayer, the Plan Administrator may not (pursuant to this Subsection 11.2(1)) redeem any such DSUs in connection with a Change of Control;

(2) notwithstanding Subsection 10.2(a), and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards granted under this Plan (other than Options held by Canadian Taxpayers) at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a

reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, or in the case of Options held by a Canadian Taxpayer by permitting the Canadian Taxpayer to surrender such Options to the Corporation for an amount for each such Option equal to the fair market value of such Option as determined by the Plan Administrator, acting reasonably, upon the completion of the Change in Control (following which such Options may be cancelled for no consideration); and

(3) any actions taken under this Section 10.2 will comply with the policies of the Exchange including, without limitation, the requirement that the acceleration of vesting of Options granted to Investor Relations Service Provider shall only occur with the prior written approval of the Exchange.

Section 10.3 Reorganization of Corporation's Capital

Subject to the prior approval of the Exchange, if applicable, should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, then the Plan Administrator in consultation with the Board will take such steps as are required to preserve the proportionality of the rights and obligations of the Participants holding such Awards as it deems equitable and appropriate.

Section 10.4 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange (if required), authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

Section 10.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required, to permit the immediate vesting of any unvested Awards other than any Options granted to an Investor Relations Service Provider, subject to the requirements set forth in TSX Venture Exchange Policy 4.4.

Section 10.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 11, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

Section 10.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, (whether as a result of any adjustment under this Article 10, a dividend equivalent or otherwise), a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 11
AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

Section 11.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that:

(1) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and

(2) any amendments to the Plan or to any Awards granted pursuant to the Plan are subject to Exchange approval (including such amendments that do not otherwise trigger approval of the holders of voting shares of the Corporation).

Section 11.2 Shareholder Approval

This Plan, and any renewal of this Plan, is each subject to the approval of the holders of voting shares of the Corporation and the approval of the Exchange. Any Options granted under this Plan prior to receipt of shareholder approval for the Plan will not be exercisable or binding on the Corporation unless and until such approval is obtained. DSUs, PSUs and RSUs cannot be granted under this Plan prior to receipt of shareholders approval.

Notwithstanding Section 11.1 and subject to any rules of the Exchange or/and any applicable regulatory authority, the approval of the holders of voting shares of the Corporation

(and Disinterested Shareholder Approval only if required under TSX Venture Exchange Policy Section 4.4) shall be required for any amendment, modification or change that:

(1) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

(2) increases or removes the limitations set out in Sections 3.6 and 3.7;

(3) allows for the grant to Insiders (as a group), within a twelve (12) month period, an aggregate number of Awards exceeding ten (10%) percent of the Corporation's issued Shares, calculated at the date the Award is granted to the Insider;

(4) allows for the grant to any one Participant, within a twelve (12) month period, an aggregate number of Awards exceeding five (5%) percent of the Corporation's issued Shares, calculated at the date the Award is granted to the Insider;

(5) reduces the exercise price of an Award to an Insider (for this purpose, a cancellation or termination of an Award of a Participant prior to its Expiry Date for the purpose of reissuing an Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

(6) extends the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant);

(7) increases or removes the limits on the participation of Directors;

(8) permits Awards to be transferred to a Person; or

(9) changes the eligible participants of the Plan.

Section 11.3 Permitted Amendments

Without limiting the generality of Section 11.1, but subject to Section 11.2 and any rules of the Exchange, the Plan Administrator may, without the approval of the holders of voting shares of the Corporation, at any time or from time to time, amend the Plan for the purposes of:

(1) making any amendments to the general vesting provisions of each Award;

(2) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;

(3) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan

Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or

(4) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 12
MISCELLANEOUS

Section 12.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

Section 12.2 News Release

Every Awards granted or issued to a Director, an Officer, or an Investor Relations Service Provider, and any amendment to such Award, must be disclosed to the public by way of a news release on the day the Awards are granted, issue or amended.

Section 12.3 No Other Benefit

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

Section 12.4 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant, Investor Relations Service Provider or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

Section 12.5 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or

in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

Section 12.6 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Plan shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the Plan shall prevail.

Section 12.7 Anti-Hedging Policy

By accepting the Option or Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Options or Awards.

Section 12.8 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan (including as to whether the circumstances described in Section 9.1(e) exist). Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

Section 12.9 Participation in the Plan

(1) The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

(2) The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Corporation is listed as may be required. The Corporation shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

(a) obtaining any approvals from governmental agencies that the Corporation determines are necessary or advisable; and

(b) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Corporation determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

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

Section 12.10 International Participants

Subject to compliance with the policies of the Exchange, with respect to Participants who reside or work outside Canada, the Plan Administrator may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

Section 12.11 No Limit on Other Security-Based Compensations Arrangements

(1) Nothing contained in this Plan shall prevent the Corporation from adopting or continuing in effect other security-based compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(2) Subject to prior acceptance of the Exchange, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant other security-based compensation arrangements to any Participant; provided, however, that such right will comply with applicable law. Subject to prior acceptance of the Exchange, the terms of this Plan, and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of other security-based compensation arrangements. Shares or other securities delivered pursuant to a purchase right granted under this Section 12.11 of the Plan will be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares, other securities, other Awards, other property, or any combination thereof, as the Plan Administrator shall determine in its discretion.

Section 12.12 No Representations or Warranties

The Corporation makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.

Section 12.13 Successors and Assigns

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

Section 12.14 General Restrictions on Assignment

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

Section 12.15 Severability

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

Section 12.16 Notices

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Colonial Coal International Corp.
Suite 200, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2Y5
Attention: Chief Financial Officer.

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth business day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and not sent by mail. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

Section 12.17 Effective Date

This Plan shall become effective upon the date of approval by the shareholders of the Corporation given by affirmative vote of the majority of the Shares represented at the meeting of the shareholders of the Corporation at which motion to approve the Plan is presented.

Section 12.18 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the internal laws of the Province of British Columbia and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

Section 12.19 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

_____

Schedule A

Form of Option Commitment

[NOTE: THIS FORM OF OPTION COMMITMENT IS INTENDED FOR CANADIAN PARTICIPANTS AND MAY NOT BE SUITABLE FOR USE BY NON-CANADIANS, INCLUDING FOR PARTICIPANTS WHO ARE IN THE UNITED STATES OR ARE U.S. PERSONS. THE OPTIONS AND THE UNDERLYING OPTIONED SHARES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD TO ANY PERSON WITHIN THE UNITED STATES OR ANY "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) ABSENT AN EXEMPTION FROM APPLICABLE REGISTRATION REQUIREMENTS.]

COLONIAL COAL INTERNATIONAL CORP.

OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, _____, pursuant to the provisions of the Omnibus Stock Incentive Plan (the "**Plan**") of Colonial Coal International Corp. (the "**Corporation**"), the Corporation has granted to _____ (the "**Optionee**"), options (the "**Options**") to acquire _____ common shares in the capital of the Corporation ("**Optioned Shares**") up to 5:00 p.m. (Vancouver Time) on the _____ day of _____, _____ (the "**Expiry Date**"), or such earlier date as determined in accordance with the terms of this Plan, at an Exercise Price of $_____ per Optioned Share.

[Optioned Shares are to vest immediately.]

OR

[Optioned Shares will vest (*INSERT VESTING SCHEDULE AND TERMS)*]

The grant of the Options evidenced hereby is made subject to the terms and conditions of this Plan, which are hereby incorporated herein and form part hereof. This Option Commitment and the Options evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in this Plan. This Option Commitment is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of this Plan and the records of the Corporation shall prevail.

To exercise the Options: (1) deliver a written notice in the form attached as Schedule B to the Plan (or in such other form as established by the Corporation) specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Corporation for the aggregate exercise price plus, subject to Section 7.2 of the Plan, any required withholding taxes; or (2) if the Optionee wishes to exercise the Options on a "net exercise" basis or "cashless exercise" basis in accordance this Plan, and the Corporation's Board approves the exercise on a "net exercise" basis or "cashless exercise" basis, deliver a written notice and comply with such other conditions as established by the Corporation for a "net exercise" or "cashless exercise". A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the Corporation or its transfer agent, if applicable, as soon as

practicable thereafter and may bear a restrictive legend if required under applicable securities laws or the policies of the TSX Venture Exchange.

[*Note: If a four month hold period is applicable under the policies of the TSX Venture Exchange, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.*

> "WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL *[insert date 4 months from the date of grant]*".]

The Corporation and the Optionee represent that the Optionee, under the terms and conditions of this Plan, is a bona fide Service Provider (as defined in this Plan), entitled to receive Options under TSX Venture Exchange policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Corporation and the TSX Venture Exchange as more particularly set out in the Acknowledgement – Personal Information in use by the TSX Venture Exchange on the date of this Option Commitment.

The Optionee acknowledges receipt of a copy of the Plan and represents to the Corporation that the Optionee is familiar with the terms and conditions of the Plan, and hereby accepts these Options subject to all of the terms and conditions of the Plan. The Optionee agrees to execute, deliver, file and otherwise assist the Corporation in filing any report, undertaking or document with respect to the awarding of the Options and exercise of the Options, as may be required by applicable regulatory authorities.

COLONIAL COAL INTERNATIONAL CORP.

_____

Authorized Signatory

Signature of Optionee:

● _____

_____ _____

Signature Date signed:

_____

Print Name

_____

_____

Address

Schedule B

Form of Exercise Notice

EXERCISE NOTICE FOR OPTIONS

To:
Colonial Coal International Corp.
Suite 200, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2Y5

Re: **Notice of Exercise - Options**

Attn: Chief Financial Officer & Corporate Secretary of Colonial Coal International Corp. (the "**Corporation**")

This letter is to inform the Chief Financial Officer of the Corporation that I, _____, wish to exercise _____ Options, at _____ per Share, on this ___ day of _____, 20____.

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

I represent, warrant and certify that, at the time of exercise of the Options, I am not in the United States, I am not a "U.S. person" (as defined in Regulation S under the United States *Securities Act of 1933*, as amended), and I am not exercising the Options for the account or benefit of a U.S. person or a person in the United States, and I did not execute or deliver this exercise form in the United States.

Payment issued in favour of Colonial Coal International Corp. for the amount of $_____ will be forwarded, including withholding tax amounts.

Please register the Share certificate or DRS advice in the name of:

Name of Optionee: _____

Address: _____

_____

Please send Share certificate or DRS advice to:

Name of Optionee: _____

Address: _____

_____

[*The remainder of page left intentionally blank. The signature page follows.*]

Sincerely,

Signature of Optionee	Date	SIN Number (for T4)

Schedule C

Form of RSU Grant Agreement

[NOTE: THIS FORM OF RSU GRANT AGREEMENT IS INTENDED FOR CANADIAN PARTICIPANTS MAY NOT BE SUITABLE FOR USE BY NON-CANADIANS, INCLUDING FOR PARTICIPANTS WHO ARE IN THE UNITED STATES OR ARE U.S. PERSONS. THE RESTRICTED SHARE UNITS AND THE UNDERLYING SHARES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR ISSUED TO ANY PERSON WITHIN THE UNITED STATES OR ANY "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) ABSENT AN EXEMPTION FROM APPLICABLE REGISTRATION REQUIREMENTS.]

COLONIAL COAL INTERNATIONAL CORP.

RESTRICTED SHARE UNIT GRANT AGREEMENT

This Restricted Share Unit Agreement ("**RSU Grant Agreement**") is entered into between Colonial Coal International Corp. (the "**Corporation**") and the Participant named below (the "**Recipient**") of the restricted share units ("**RSUs**") pursuant to the Corporation's stock incentive plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this RSU Grant Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

(1) **Recipient**. The Recipient is ● and the address of the Recipient is currently ●.

(2) **Grant of RSUs**. The Recipient is hereby granted ● RSUs.

(3) **Settlement**. The RSUs shall be settled as follows:

(Select one of the following three options):

(a) ☐ One Share issued from treasury per RSU;

(b) ☐ Cash Equivalent of one Share per RSU; or

(c) ☐ Either (a), (b), or a combination thereof, at the election of the Recipient.

(4) **Restriction Period.** In accordance with Section ● of the Plan, the Restriction Period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on ● and terminate on ●.

(5) **Performance Period.** ●.

(6) **Vesting**. Subject to any acceleration in vesting as provided in the Plan and approved by the Board, the RSUs granted in this award vest as follows:

% of RSUs Which Vest	# of RSUs Which Vest	Vesting Date
●%	●	●
●%	●	●
●%	●	●

(7) **Transfer of RSUs**. The RSUs granted hereunder are neither transferable nor assignable except in accordance with the Plan.

(8) **Inconsistency**. This RSU Grant Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Grant Agreement and the Plan, the terms of the Plan shall govern.

(9) **Severability**. Wherever possible, each provision of this RSU Grant Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Grant Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Grant Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(10) **Entire Agreement**. This RSU Grant Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(11) **Successors and Assigns**. This RSU Grant Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.

(12) **Time of the Essence**. Time shall be of the essence of this Agreement and of every part hereof.

(13) **Governing Law**. This RSU Grant Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

(14) **Counterparts**. This RSU Grant Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

[*The remainder of page left intentionally blank. The signature page follows.*]

By signing this RSU Grant Agreement, the Participant acknowledges that they have been provided with, have read and understand the Plan and this RSU Grant Agreement.

IN WITNESS WHEREOF the parties hereof have executed this RSU Grant Agreement as of the _____ day of _____, 20____.

COLONIAL COAL INTERNATIONAL CORP.

By: _____

Name: _____

Title: _____

Signature of Participant:

_____ _____

Signature Date signed:

_____

Print Name

_____

_____

Address

_____

Schedule D

Form of RSU Settlement Notice

RSU SETTLEMENT NOTICE

To:
Colonial Coal International Corp. (the "**Corporation**")
Suite 200, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2Y5

1. The undersigned (the "**Holder**"), being the holder of _____ restricted share units ("**RSUs**") of the Corporation pursuant to the Corporation's stock incentive plan, as amended from time to time (the "**Plan**"), hereby irrevocably gives notice to the Corporation of the Holder's election to settle the RSUs. The Holder acknowledges that, in accordance with the terms of the Plan and the applicable restricted share unit agreement, the RSUs will be settled in common shares in the capital of the Corporation (the "**Shares**").

2. The Holder directs the Corporation, for the Shares to be issued in settlement of the RSUs, to issue a Share certificate or DRS advice evidencing said Shares registered as follows: [*Instructions: Please insert name and address for registration and delivery*.]

   _____

   _____

   _____

3. In order to satisfy the Corporation's withholding obligations in connection with the settlement of the RSUs, the Holder hereby agrees, subject to Section 7.2 of the Plan, to forward payment to the Corporation for the amount of $_____.

4. By executing this RSU Settlement Notice, the Holder 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 RSU Settlement Notice shall have the meanings given to them under the Plan.

Dated the _____ day of _____, 20____.

_____
[Name of Holder]

Schedule E

Form of DSU Election Notice

DSU ELECTION NOTICE

To:
Colonial Coal International Corp. (the "**Corporation**")
Suite 200, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2Y5

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 5 of the Plan and to receive _% of my Cash Fees in the form of DSUs in lieu of cash.

I confirm that:

1. I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them;

2. I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time; and

3. The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Signature of Participant:

_____ _____

Signature Date signed:

_____

Print Name

_____

_____

Address

Schedule F

Form of DSU Election Notice

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS

To:
Colonial Coal International Corp. (the "**Corporation**")
Suite 200, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2Y5

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Signature of Participant:

_____ _____

Signature Date signed:

_____

Print Name

_____

_____

Address

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.