

**MARIMACA COPPER CORP.  
(formerly Coro Mining Corp.)**

**Annual General and Special Meeting  
to be held on November 18, 2020**

**Notice of Annual General and Special Meeting  
and  
Information Circular**

**October 7, 2020**



**MARIMACA COPPER CORP.**  
**(formerly Coro Mining Corp.)**

Suite 2500, Park Place  
666 Burrard Street,  
Vancouver, British Columbia, Canada

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

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Marimaca Copper Corp. (the “**Company**”) will be held virtually via webcast at <https://www.web.lumiagm.com/298569662> on Wednesday, November 18, 2020 at 10:00 a.m. (local time in Vancouver, British Columbia). At the Meeting, the shareholders will receive the financial statements of the Company for the year ended December 31, 2019, together with the auditor’s report thereon, and consider resolutions to:

1. elect directors of the Company for the ensuing year;
2. appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditors;
3. consider, and if deemed appropriate, approve by ordinary resolution, the adoption of the Omnibus Incentive Plan of the Company, as more particularly described in the accompanying information circular; and
4. transact such other business as may properly be put before the Meeting.

If you are a registered shareholder of the Company and are unable to attend the Meeting via webcast, please read, sign and date the form of proxy for the Meeting (the “**Proxy**”) and deposit it with Computershare Investor Services Inc. (“**Computershare**”) by courier or mail at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, or by facsimile at 1-866-249-7775 (toll-free in North America) or 1-416-263-9524 (international) by 10:00 a.m. (local time in Vancouver, British Columbia) on Monday, November 16, 2020 or at least 48 hours (excluding Saturdays, Sundays and holidays) before any postponement or adjournment of the Meeting), otherwise you will not be entitled to vote at the Meeting by proxy. Alternatively, registered shareholders may vote by telephone (1-866-732-8683) or online ([www.investorvote.com](http://www.investorvote.com)) using the control number listed on the Proxy. Only shareholders of record at the close of business on Wednesday, October 7, 2020 will be entitled to vote at the Meeting. An information circular and a form of Proxy accompany this notice.

If you are a non-registered shareholder of the Company, please complete and return the voting instruction form (or other accompanying form) in accordance with the instructions for completion and deposit.

All shareholders may attend the Meeting via webcast but must follow the instructions set out in the accompanying information circular if they wish to vote at the Meeting.

DATED at Vancouver, British Columbia, the 7th day of October, 2020.

**ON BEHALF OF MARIMACA COPPER CORP.**

*(signed) “Luis A. Tondo”*

Luis A. Tondo,  
Chief Executive Officer

**MARIMACA COPPER CORP.**  
**(formerly Coro Mining Corp.)**

Suite 2500, Park Place  
666 Burrard Street,  
Vancouver, British Columbia, Canada

**INFORMATION CIRCULAR**  
(as at October 7, 2020 except as otherwise indicated)

**SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (the “**Management**”) of Marimaca Copper Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Wednesday, November 18, 2020 (the “**Meeting**”), at 10:00 a.m. (local time in Vancouver, British Columbia) via webcast for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”) and any adjournment thereof. The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

**APPOINTMENT AND REVOCATION OF PROXY**

The person named in the Proxy is an officer of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person's name in the blank space provided. However, if a registered shareholder appoints a third party proxyholder they must ALSO register their proxyholder so such proxyholder can participate in the webcast. Please see "How to Participate in the Meeting via Webcast" below for information on how to register a third-party proxyholder.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) or telephone/online votes must be received by Computershare, by 10:00 a.m. (local time in Vancouver, British Columbia) on Monday, November 16, 2020 or not less than 48 hours, (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and depositing it by the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it at the time and to the place noted above, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any postponement or adjournment, at which the Proxy is to be used; or
- (c) attending the Meeting or any adjournment of the Meeting via webcast and accepting the terms and conditions when entering the Meeting online (in which case any votes cast by the shareholder on a ballot will be counted and the submitted Proxy disregarded).

**Provisions Relating to Voting of Proxies**

**The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him or her. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote**

as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the Management knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

#### **Advice to Beneficial Holders of Common Shares**

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. Beneficial Shareholders may participate in the Meeting via the webcast (either themselves or through a proxyholder) or through intermediaries using the VIF (or other accompanying form). Alternatively, some Beneficial Shareholders may be able to vote by telephone or online and should refer to the VIF (or other accompanying form) for further details and instructions. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

If the Beneficial Shareholder wishes to participate in the webcast (either in person or through a nominee) and vote at the Meeting, it is critical to follow the required procedures for appointing proxyholders given that the Company does not have unrestricted access to the names of the Company's Beneficial Shareholders and accordingly, would not otherwise have any record of a Beneficial Shareholder's entitlement to vote at the Meeting.

**If you are a United States Beneficial Shareholder, in order to participate in the webcast (either in person or through a nominee) and vote at the Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to participate in the webcast.** Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent, to then request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to participate in the webcast, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare  
100 University Avenue  
8<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2Y1  
OR  
Email at [USlegalproxy@computershare.com](mailto:USlegalproxy@computershare.com)

Requests for registration must be labeled as "Legal Proxy" and be received by 10:00 a.m. (local time in Vancouver, British Columbia) on November 16, 2020 or at least 48 hours (excluding Saturdays, Sundays and holidays) before any postponement or adjournment of the Meeting. You will receive a confirmation of your registration by email after we receive your registration materials. You may participate in the webcast and vote your shares at <https://www.web.lumiagm.com/298569662> during the Meeting. Please note that you are required to register your appointment at <https://www.computershare.com/Marimaca>.

**If a Beneficial Shareholder wishes to participate in the Meeting via the webcast, they will need to appoint themselves (or a nominee) as proxyholder and subsequently register the proxyholder with Computershare. Please see "How to Participate in the Meeting via Webcast" below for information on how to register a proxyholder. Registering the proxyholder is an additional step once the proxy/VIF has been submitted.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("OBOs") and those who do not object to their identity being made known to the issuers of the securities which they own ("NOBOs"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has distributed copies of the Notice of Meeting, Circular and VIF directly to NOBOs.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents. The Company will assume the costs associated with the delivery of the Notice of Meeting, Circular and VIF, as set out above, to OBOs by intermediaries.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 4:00 p.m. (local time in Vancouver, British Columbia) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

#### **How to Participate in the Meeting via Webcast**

The Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the online Meeting is provided below. The Meeting will begin at 10:00 a.m. (local time in Vancouver, British Columbia) on Wednesday, November 18, 2020.

Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://www.web.lumiagm.com/298569662>.

Registered shareholders and duly appointed proxyholders can participate in the Meeting by clicking "**I have a login**" and entering a Username and Password before the start of the Meeting. For registered shareholders the 15-digit control number located on the Proxy or in the email notification you received is the Username. For duly appointed proxyholders, Computershare will provide the proxyholder with a Username after the voting deadline has passed. The Password to the Meeting for all participants is "marimaca2020".

Shareholders who wish to appoint a third-party proxyholder (being a person other than the Management Designees) to represent them at the online Meeting **must submit their Proxy or VIF (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their Proxy/VIF. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting.** To register a proxyholder, shareholders **MUST** visit <https://www.computershare.com/Marimaca> by 10:00 a.m. (local time in Vancouver, British Columbia) on November 16, 2020 or at least 48 hours (excluding Saturdays, Sundays and holidays) before any postponement or adjournment of the Meeting and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a Username via email.

**It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.**

As set out above, registered shareholders that have a 15-digit control number, along with duly appointed proxyholders who were assigned a Username by Computershare will be able to vote and submit questions during the Meeting. To do so, please go to <https://www.web.lumiagm.com/298569662> prior to the start of the Meeting to login. Click on “**I have a login**” and enter your 15-digit control number or Username along with the password “marimaca2020”. Beneficial Shareholders who have not appointed themselves to vote at the Meeting, may login as a guest, by clicking on “I am a Guest” and complete the online form. **Note that guests cannot vote or raise questions at the Meeting.**

If you are using a 15-digit control number to login to the online Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest. **Note that guests cannot vote or raise questions at the Meeting.**

**In order to vote or raise questions at the Meeting, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing a Username.**

A registered shareholder or a Beneficial Shareholder who has appointed themselves or a third-party proxyholder to represent them at the Meeting, will appear on a list of shareholders prepared by Computershare for the Meeting. To have their shares voted at the Meeting, each registered shareholder or proxyholder will be required to enter their control number or Username provided by Computershare at <https://www.web.lumiagm.com/298569662> prior to the start of the Meeting. In order to vote, Beneficial Shareholders who appoint themselves as a proxyholder MUST register with Computershare at <https://www.computershare.com/Marimaca> after submitting their VIF in order to receive a Username.

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

### **Financial Statements**

The audited consolidated financial statements of the Company for the year ended December 31, 2019, together with the auditor’s report on those statements, will be presented to the shareholders at the Meeting.

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

As at the date of the accompanying Notice of Meeting, the Company’s authorized capital consists of an unlimited number of common shares without par value. All common shares in the capital of the Company carry the right to one vote. Shareholders registered as at October 7, 2020 are entitled to attend the Meeting via webcast and vote at the Meeting. **Registered shareholders may vote by participating in the Meeting via webcast, by appointing proxyholders, by telephone or by voting online.**

Registered shareholders that wish to participate in the Meeting via webcast do not need to complete and deposit the form of Proxy. For information on how to participate in the Meeting via the webcast, see "How to Participate in the Meeting via Webcast" above. Alternatively, registered shareholders may vote by telephone (1-866-732-8683) or online ([www.investorvote.com](http://www.investorvote.com)) using the control number listed on the Proxy.



As of October 7, 2020 (being the record date for voting) there were 64,357,847 common shares outstanding. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

On September 26, 2018, the Company completed the issuance of additional common shares of the Company pursuant to a Rights Offering Circular (“**Rights Offering**”) which resulted in an adjustment of stock options previously issued. The Company effected a consolidation of its issued and outstanding share capital on a 25 old shares for one new share basis on May 21, 2020 (the “**Share Consolidation**”) which resulted in adjustments to previously issued common shares and stock options. **All common share and stock option information contained in this Circular is shown post the occurrence of the Rights Offering and the Share Consolidation.**

To the knowledge of the directors and executive officers of the Company, as of October 7, 2020, the following persons beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding common shares of the Company:

Shareholder	Number of Shares	Percentage of Issued Capital
Greenstone Resources L.P. and its affiliate, Greenstone Co-Investment No. 1 (Coro) L.P.	16,037,680	24.9%
Tembo Capital Mining GP Limited	10,577,161	16.4%

## ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors on the board of directors (the “**Board**”) of the Company was fixed at six at the Company’s 2018 annual general and special meeting.

As part of its on-going review of corporate governance practices, on March 15, 2013, the Board adopted a policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" (a “**Majority Withhold Vote**”) will tender his or her resignation to the Chairman of the Board or the Company’s Corporate Governance and Nominating Committee promptly following the shareholders’ meeting. The Corporate Governance and Nominating Committee will consider the offer of resignation and will make a recommendation to the Board on whether to accept it. The Corporate Governance and Nominating Committee and the Board will evaluate any such tendered offer of resignation, in accordance with their fiduciary duties to, and in furtherance of the best interests of, the Company and its shareholders. The Board may accept or reject the offer of resignation, or it may decide to pursue additional actions, including, without limitation, the following:

- allow the director to remain on the Board and continue to serve but not be nominated for re-election to the Board at the next election of directors;

- defer the acceptance of the resignation until the director vacancy created by the resignation can be filled by the Board with a replacement/successor director meeting all the necessary qualifications and criteria for Company directors and satisfying all other legal and regulatory requirements with respect to the composition of the Board (such as “independence” requirements established by securities regulators or securities exchange listing requirements);
- defer the acceptance of the resignation if it is determined that the underlying cause of the Majority Withhold Vote can be cured by the director or otherwise within a specified period of time (such as if the Majority Withhold Vote was due to the relevant director receiving such vote serving on the board of directors of another entity, by resigning from such other board); or
- defer the acceptance of the resignation for other reasons determined by the Board to be in the best interests of the Company in the exercise of its fiduciary duties and business judgment.

The Board’s decision will be disclosed in a news release within four business days after the decision.

Pursuant to the Advance Notice Policy adopted by the Board on March 15, 2013, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy no fewer than 30 days nor more than 65 days prior to the date of the Meeting. As at the date of this Circular, no such nominations were received by the Company, and accordingly, Management’s nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following table sets out the names, province or state and country of residence of the nominees for election as directors, the offices they hold within the Company, their principal occupations, business or employment within the five preceding years, the period or periods during which each director has served as a director of the Company, and the number of shares of the Company and its subsidiaries which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular:

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation for last five years	Served as director since	Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)(2)</sup>
<b>LUIS A. TONDO</b> Santiago, Chile  <i>Chief Executive Officer and Director and former President</i>	Chief Executive Officer of the Company, June, 2017 to present; President of the Company, June, 2017 to July 20, 2020; Chief Operating Officer, Grupo Minera Las Cenizas, September, 2015 to June, 2017.	June 15, 2017	6,000

<b>Name, province or state and country of residence and positions, current and former, if any, held in the Company</b>	<b>Principal occupation for last five years</b>	<b>Served as director since</b>	<b>Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present<sup>(1)(2)</sup></b>
<b>ALAN J. STEPHENS<sup>(3)</sup></b> West Sussex, United Kingdom  <i>Director Former Executive Director, President and Chief Executive Officer</i>	Executive Director of the Company from June, 2017 to June, 2018; President and Chief Executive Officer of the Company, January, 2005 to June, 2017.	January 5, 2005	101,917 <sup>(4)</sup>
<b>COLIN KINLEY<sup>(4)(5)</sup></b> Kansas, United States  <i>Director</i>	Director and Senior Advisor, President and Chief Executive Officer of Kinley Exploration LLC from 2007 to present; President and Chief Executive Officer of Jet Mining Pty LLC from 2010 to present; Director of Excelsior Mining from 2010 to present; Director and Chief Operating Officer of Eco Atlantic Oil and Gas Ltd. from 2011 to present.	February 5, 2016	7,428
<b>MICHAEL HAWORTH<sup>(4)(5)(6)</sup></b> London, United Kingdom  <i>Executive Chairman and Director</i>	Joint Managing Partner with Greenstone Capital LLP since August, 2013. Executive Chairman of the Company since February, 2020.	February 5, 2016.	Nil <sup>(7)</sup>
<b>PETRA DECHER<sup>(4)(5)</sup></b> Ontario, Canada  <i>Lead Director</i>	Director of Ascendant Resources Inc. since October 2017; Director of Rockcliff Metals Corp. since May 2019; Previously Lead Independent Director of Integra Gold Corp. from March 2015 to July 2017; Previous Vice President, Finance and Assistant Secretary for Franco-Nevada Corporation from 2009 to 2016.	May 7, 2018	2,000
<b>TIM PETTERSON</b> British Columbia, Canada  <i>Director</i>	Executive Chairman of Minera Cobre Corp. and Managing Director at Kebis and Probe.	November 1, 2018	Nil

**Notes:**

- (1) The information as to common shares beneficially owned or controlled has been provided by the directors themselves.
- (2) Common shares beneficially owned has been adjusted to reflect the Share Consolidation.
- (3) Includes 2,667 common shares owned by Alan Stephens' spouse.
- (4) Member of the Company's Audit Committee (the "**Audit Committee**"). Ms. Decher is the Chair of the Audit Committee.
- (5) Member of the Company's Compensation and ESG Committee (the "**Compensation Committee**"). Mr. Kinley is the Chair of the Compensation Committee.
- (6) This does not include 16,037,680 shares of the Company owned by Greenstone Resources L.P. and its affiliate, Greenstone Co-Investment No. 1 (Coro) L.P., which are advised by Greenstone Capital LLP, of which Mr. Haworth is the managing partner.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

### **Corporate Cease Trade Orders or Bankruptcies**

Alan Stephens, a Director and the former President and Chief Executive Officer of the Company, is a director of Weatherly International PLC (“**Weatherly**”). On June 1, 2018, Weatherly announced that it had appointed an administrator in accordance with the *UK Insolvency Act* (1986) following a decision by Weatherly’s principal lender to withdraw funding.

Other than as set out above, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

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

### **Individual Bankruptcies**

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

## **EXECUTIVE COMPENSATION**

For the purposes of this Circular:

“CEO” of the Company means each individual who served as Chief Executive Officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.

“CFO” of the Company means each individual who served as Chief Financial Officer of the Company or acted in similar capacity for any part of the most recently completed financial year.

“NEO” or “named executive officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;

- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 - *Statement of Executive Compensation*, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2019, the Company had six NEOs, being: Luis A. Tondo, the CEO and former President, Leonardo Araya Muñoz, the current CFO, Armando Véliz, the former CFO, Sergio Rivera, the Vice President of Exploration, Nicholas Bias, the former Vice President of Corporate Development and Investor Relations and Patricio Pinto Ariztía, Director, Corporate Affairs.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Compensation Discussion and Analysis**

The Compensation Committee directs the design and provides oversight of the Company's executive compensation program and has overall responsibility for recommending levels of executive compensation that are competitive in order to attract, motivate and retain highly skilled and experienced executive officers. The Compensation Committee does not have a formal compensation program with set benchmarks, however, the Compensation Committee does have an informal program which seeks to reward an executive officer's current and future expected performance and the achievements of corporate milestones and align the interests of executive officers with the interest of the Company's shareholders.

The Compensation Committee has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long-term sustainability. The discretionary nature of annual bonus awards and option grants are significant elements of the Company's compensation plans and provide the Board and the Compensation Committee with the ability to reward historical performance and behaviour that the Board and the Compensation Committee consider to be aligned with the Company's best interests.

The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company's Insider Trading and Blackout Policy prohibits all Company personnel (including NEOs and directors) from engaging in all hedging transactions with the rationale that these transactions may allow personnel to lock in much of the value of his or her shareholdings, often in exchange for all or part of the potential for upside appreciation in their securities.

The compensation awarded to, earned by, paid to or payable to each of the NEOs for the most recently completed financial year is set out under the heading, "Compensation Discussion and Analysis – Summary Compensation Table".

## **Compensation Review Process / Compensation Governance**

The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs. It then submits to the Board recommendations with respect to basic salary, bonus and participation in share compensation arrangements for each executive officer.

The Compensation Committee ensures that the Company has an executive compensation plan that is fair, motivational and competitive, so that it will attract, retain and incentivize executive officers of a quality and nature that will enhance the growth and development of the Company.

In establishing levels of remuneration, stock option and bonus grants, the Compensation Committee is guided by the following principles:

- compensation is determined on an individual basis by the need to attract and retain talented, qualified and effective executives;
- total compensation is set with reference to the market for similar positions in comparable companies and with reference to the location of employment; and
- the current market and economic environment.

For the year ended December 31, 2019, the Compensation Committee was comprised of the following directors; Mr. Haworth (Chair), Mr. Kinley and Ms. Decher. Both Mr. Kinley and Ms. Decher are independent. Subsequent to the December 31, 2019 year end, Mr. Haworth was appointed Executive Chairman of the Company. Accordingly, Mr. Haworth stepped down as Chair of the Compensation Committee and Mr. Kinley was appointed as its Chair. The Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation. All members of the Compensation Committee have had significant experience in the mining sector, including the junior exploration sector and on other boards of directors. The Compensation Committee's charter is available on the Company's website at [www.coromining.com](http://www.coromining.com).

## **Objectives**

The objectives of the Company's NEO compensation program are to: (a) attract, motivate and retain high-calibre NEO's; (b) align the interests of the NEOs with those of the Company's shareholders; and (c) incentivize the NEOs to continuously improve operations and execute on corporate strategy. The NEO compensation program is, therefore, designed to reward the NEOs for increasing shareholder value, and improving operations and executing on corporate strategy.

## **Assessment of Individual Performance**

Individual performance in connection with the achievement of corporate milestones and objectives is reviewed by the Compensation Committee for all executive officers. While awards are generally tied to performance against quantitative objectives, consideration is also given to an individual's qualitative contribution to the Company. For example, the Compensation Committee will evaluate the individual's leadership skills, commitment to the Company's shareholders, innovation and teamwork.

## Elements of Executive Compensation

There are three main elements of direct compensation, namely, base salary, annual bonuses and equity participation through the stock option plan, which was adopted by the Company on July 10, 2007 and subsequently amended on June 29, 2010 and February 18, 2011 (the “**2018 Stock Option Plan**”). The 2018 Stock Option Plan was last approved by the Company’s shareholders at the annual general and special meeting held on June 27, 2018. The 2018 Stock Option Plan is further discussed under the heading, “Compensation Discussion and Analysis – 2018 Stock Option Plan”. The Company is asking shareholders to approve a new Omnibus Incentive Plan, as described in the section entitled “Particulars of Matters to be Acted Upon – Approval of the Omnibus Incentive Plan”.

The Compensation Committee relies on the experience of its members as officers and directors of other companies in similar lines of business as the Company in assessing compensation levels. These other companies are identified under the heading “Corporate Governance Disclosure – Directorships” of this Circular. The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish as a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

To date, no specific formulas have been developed to assign a specific weighting to each of these components. Instead, the Board considers the Company’s performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

## Base Salary

In determining the base salary of an executive officer, the Compensation Committee places equal weight on the following factors;

- current economic and market environment; and
- development stage and opportunities for the Company.

The Company has employment or consulting agreements with each of its NEOs. The agreements specify the terms and conditions of employment or services, the duties and responsibilities of the executive during this term, the compensation and benefits to be provided by the Company in exchange for the NEO’s services, the compensation and benefits to be provided by the Company in the event of a termination of employment not preceded by a change of control of the Company and the compensation and benefits to be provided by the Company, if any, in the event of a change of control of the Company.

The compensation paid to the NEOs, other than Mr. Pinto, is denominated in United States Dollars but payable in Chilean Pesos (“CLP”). Mr. Pinto’s compensation is denominated and paid in CLP. For the purpose of calculating the Canadian dollar equivalent of the CLP the exchange rate from xe.com was used as at December 31, 2019.

The stock option and common share amounts have been adjusted to reflect the impact of the Rights Offering and Share Consolidation.

#### *Employment Agreement – Mr. Tondo*

Mr. Tondo currently receives a base salary denominated in US dollars and paid in CLP in the amount of US\$300,000 per year (the “**Tondo Base Salary**”), pursuant to employment contracts dated June 12, 2017 entered into by the Company and the Company’s wholly-owned Chilean subsidiary, Minera Cielo Azul Ltda, pursuant to which, Mr. Tondo provides his services as the CEO of the Company. In addition, Mr. Tondo is entitled to a discretionary performance bonus of up to 50% of his Base Salary. Mr. Tondo also received stock options for the purchase of up to 260,078 shares of the Company, as more particularly disclosed in the section of this Circular entitled “Incentive Plan Awards”. Mr. Tondo resigned as President of the Company on July 20, 2020.

#### *Employment Agreement – Mr. Araya*

In April, 2019, the Company’s wholly-owned Chilean subsidiary, Minera Cielo Azul Ltda, entered into an employment agreement with Mr. Araya pursuant to which Mr. Araya was employed as the CFO of the Company with a base salary of US\$180,000 per year (the “**Araya Base Salary**”) payable in CLP. In addition, Mr. Araya is entitled to a discretionary performance bonus of up to 30% of the Araya Base Salary and also received stock options for the purchase of up to 80,000 shares of the Company, as more particularly disclosed in the section of this Circular entitled “Incentive Plan Awards”.

#### *Employment Agreement – Mr. Rivera*

On November 1, 2011, the Company entered into an employment agreement with Mr. Rivera whereby Mr. Rivera is employed for a gross salary denominated in CLP until such time as his employment agreement is terminated by the Company or he resigns. As is common in Chile, Mr. Rivera’s contract is indexed for cost of living adjustments, his salary as of December 31, 2019 is equivalent to US\$230,298 per year. The Company also agreed to the following bonus plan for Mr. Rivera:

- (a) a bonus of US\$285,000 for each project acquired by the Company or its subsidiaries after January 1, 2012 that reaches the stage of an NI 43-101 resource meeting the Company’s criteria. Three months of this bonus may be advanced once the Company considers that a significant discovery has been made;
- (b) an additional bonus of US\$285,000 for each project acquired by the Company or its subsidiaries after January 1, 2012 that reaches the feasibility stage or that is sold to a third party for more than \$10 million;
- (c) a bonus of US\$142,000 for each project acquired by the Company or its subsidiaries before January 1, 2012 that reaches the stage of an NI 43-101 resource meeting the Company’s criteria; and
- (d) an additional bonus of US\$142,000 for each project acquired by the Company or its subsidiaries before January 1, 2012 that reaches the feasibility stage or that is sold to a third party for more than \$10 million.

#### *Employment Agreement – Mr. Pinto*

In June 2018, the Company’s wholly-owned Chilean subsidiary, Minera Cielo Azul Ltda, entered into an employment agreement with Mr. Pinto pursuant to which Mr. Pinto was employed as the Director, Corporate Affairs of the Company for a gross salary of CLP116.784.000 per annum (the “**Pinto Base**



**Salary**”). In addition, Mr. Pinto is entitled to a discretionary performance bonus of up to 30% of the Pinto Base Salary and also received stock options for the purchase of up to 52,016 shares of the Company, as more particularly disclosed in the section “Incentive Plan Awards”.

#### *Employment Agreement – Mr. Véliz*

In April 2018, the Company’s wholly-owned Chilean subsidiary, Minera Cielo Azul Ltda, entered into an employment agreement with Mr. Véliz pursuant to which Mr. Véliz was employed as the CFO of the Company for a gross salary of US\$230,000 per year (the “**Véliz Base Salary**”) payable in CLP. In addition, Mr. Véliz was entitled to a discretionary performance bonus of up to 30% of the Véliz Base Salary and also received stock options for the purchase of up to 104,031 shares of the Company, as more particularly disclosed in the section of this Circular entitled “Incentive Plan Awards”. Mr. Véliz ceased to be the CFO of the Company on April 9, 2019, and was immediately replaced by Mr. Araya.

#### *Consultancy Agreement – Mr. Bias*

In April 2018, the Company entered into a consulting agreement with Mr. Bias pursuant to which Mr. Bias was employed as the Vice President of Corporate Development and Investor Relations of the Company for a gross salary of GBP190,000 per year (the “**Bias Base Salary**”). In addition, Mr. Bias was entitled to a discretionary performance bonus of up to 30% of the Bias Base Salary and also received stock options for the purchase of up to 124,837 shares of the Company, as more particularly disclosed in the section of this Circular entitled “Incentive Plan Awards”. Mr. Bias ceased to be the Vice President Corporate Development and Investor Relations on November 30, 2019.

### **2018 Stock Option Plan**

In the Company’s view, encouraging its executive officers and employees to become shareholders of the Company is the best way to align their interests with those of the Company’s shareholders. Equity participation is accomplished through the 2018 Stock Option Plan.

The Compensation Committee is mandated to review and make recommendations to the Board regarding the remuneration of executive officers; the granting of stock options to directors, executive officers and key employees and consultants of the Company; and the remuneration and compensation policies of the Company, including the 2018 Stock Option Plan. The members of the Compensation Committee are identified under the heading, “Election of Directors”.

The purpose of the 2018 Stock Option Plan is to advance the interests of the Company and its shareholders by encouraging these individuals to acquire shares, thereby increasing their proprietary interest in the Company and encouraging them to remain associated with the Company. Grants under the 2018 Stock Option Plan are intended to provide long-term awards linked directly to the market value performance of the Company’s shares.

Individual grants are determined by an assessment of the individual’s current and expected future performance, level of responsibilities, the importance of his or her position, his or her contribution to the Company and previous option grants and exercise prices, including:

- (a) the remuneration paid to the employee or consultant as at the award date in relation to the total remuneration payable by the Company to all of its employees and consultants as at the award date;

- (b) the length of time that the employee or consultant has been employed or engaged by the Company; and
- (c) the quality of work performed by the employee or consultant.

#### *Eligible Participants*

The 2018 Stock Option Plan provides that options may be granted to directors, officers, employees or consultants of the Company or its affiliates. The 2018 Stock Option Plan does not limit insider participation and does not provide for a maximum number of shares which may be issued to an individual pursuant to the 2018 Stock Option Plan and any other share compensation arrangement.

#### *Shares Available for Issuance*

The 2018 Stock Option Plan provides for the issuance of stock options to acquire at any time up to a maximum of 10% of the Company's issued and outstanding common shares. The 2018 Stock Option Plan is considered a "rolling" stock option plan as the number of common shares available for issue increases with the number of the Company's issued and outstanding common shares. The 2018 Stock Option Plan is also considered an "evergreen" stock option plan as when a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares reserved for issuance under that expired or terminated option again become available for the purposes of the 2018 Stock Option Plan.

#### *Remaining Securities Available for Grant*

As of December 31, 2019, a total of 1,615,750 options were outstanding under the 2018 Stock Option Plan, and the common shares issuable upon exercise of such options represent in the aggregate 2.5% of the issued and outstanding common shares of the Company as of December 31, 2019. As of December 31, 2019, there were 4,820,035 options available to be granted, or 7.5% of the issued and outstanding shares of the Company.

#### *Annual Burn Rate*

The annual burn rate of the 2018 Stock Option Plan for 2019 was 0.7%, for 2018 was 1.0% and for 2017 was 1.0%. The annual burn rate is calculated by dividing the number of options granted during the applicable fiscal year by the weighted average number of common shares outstanding for the applicable fiscal year.

#### *Expiration or Termination*

A stock option held by an employee or consultant will expire immediately in the event an employee or consultant ceases to be an employee or consultant, as applicable, as a result of termination for cause or as the result of an order of the British Columbia Securities Commission or the Toronto Stock Exchange (the "**Exchange**"). In the event the employee or consultant ceases to be an employee or consultant as a result of termination without cause or resigns, a stock option will expire 60 days following the date the person ceases to be an employee or consultant. In addition, a stock option will expire 90 days after a director ceases to be a director unless the director continues to be an employee of the Company in which case the expiry date will remain unchanged. If a director ceases to be a director of the Company as the result of: (a) ceasing to meet the qualifications contained in the *Business Corporations Act* (British Columbia); (b) a special resolution having been passed by the shareholders of the Company; or (c) an order of the British Columbia Securities Commission or the Exchange, the expiry date shall be the date the director ceases to be a director of the Company. In the event of the death of an option holder, the options shall expire on the first anniversary of the option holder's death.

### *Vesting*

All stock options granted pursuant to the 2018 Stock Option Plan are subject to vesting requirements as may be prescribed by the Exchange or as may be imposed by the Board.

### *Exercise Price*

The Board has sole discretion to set the exercise price of a stock option; however the exercise price may not be less than the closing price of the Company's common shares on the day immediately preceding the date of the stock option grant.

### *Assignability*

The options may not be assigned or transferred provided that a personal representative may exercise an option on behalf of an option holder.

### *Term*

The term of any option shall be the date so fixed by the Board at the time the particular option is awarded, provided that such date shall not be later than the fifth anniversary of the award date of such option.

### *Trading Black Outs*

Under the Company's insider trading policies, directors, officers and specified employees are restricted from trading in securities of the Company during periodic trading blackouts imposed by the Company. The 2018 Stock Option Plan addresses the situation where an option holder is unable to exercise an option that would otherwise expire during a trading blackout imposed by the Company by providing that the option will continue to be exercisable until the tenth business day following the expiry of the trading blackout.

### *Amendment Procedures*

The Company may amend the 2018 Stock Option Plan and the terms of any stock option without shareholder approval, unless shareholder approval is otherwise required by applicable regulatory authorities. Any substantive amendments to the 2018 Stock Option Plan shall be subject to the Company first obtaining the approvals, if required, of the shareholders or disinterested shareholders, as the case may be, of the Company at a general and special meeting where required by the rules and policies of the Exchange.

### *Bonuses*

The 2018 Stock Option Plan includes a provision which would allow the Board to grant stock options to any director or employee, together with a right to be paid, in cash, an amount equal to the exercise price of such stock options. The number of stock options which may be granted under this provision is limited to 1,000,000 within a 12-month period.

### *Stock Appreciation Rights*

The 2018 Stock Option Plan grants the Board the discretion to grant an option holder a corresponding stock appreciation right. This right allows an option holder to surrender a stock option in exchange for that number of common shares having an aggregate value equal to the excess value of one common share over the purchase price per common share specified in such option, multiplied by the number of common shares called for by the option (the value of the common shares shall be based on the weighted average trading price for the five trading days immediately preceding the exercise).

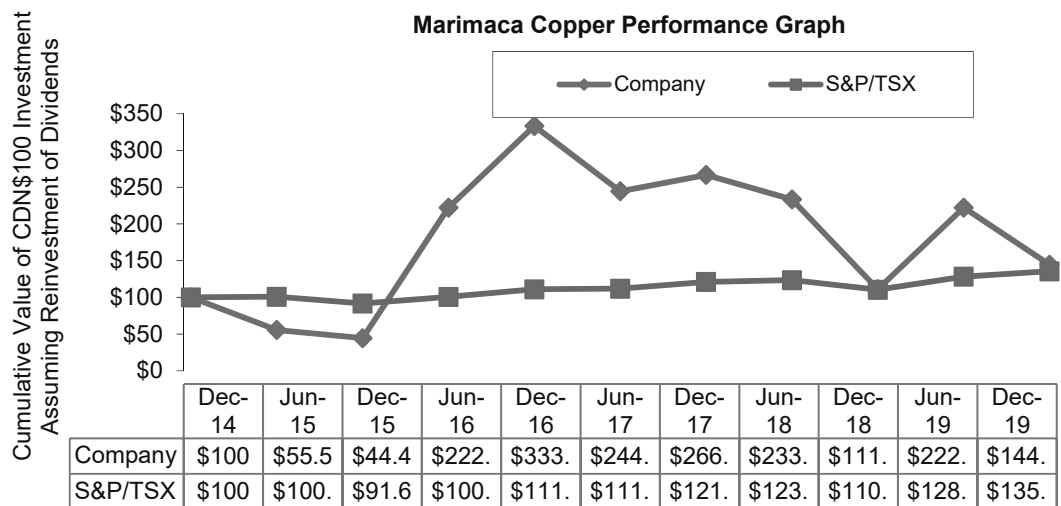
### *Impact of a Change of Control*

If a Change of Control (as defined in the 2018 Stock Option Plan) occurs, all shares subject to each outstanding option will become vested, whereupon all options may be exercised in whole or in part by the option holders.

### **Performance Graph**

The common shares of the Company were listed on the Exchange on July 10, 2007. The following graph compares the total cumulative shareholder return for \$100 invested in common shares of the Company from December 31, 2014 and for six months increments thereafter until the end of the Company's last completed financial year with the cumulative total return of the Standard and Poor's TSX Composite Stock Index ("S&P/TSX Index") over the same periods.

Comparison of Six Month Cumulative Total Shareholder Return on the Common Shares of the Company and the S&P/TSX Index



The trend on the above graph reflects the trend in the Company's compensation to executive officers reported in this Circular. Other than Mr. Rivera, executive officers have not received discretionary cash bonuses and have been granted incentive stock options in order to align their interests with the Company's long-term goals.

## Summary Compensation Table

The following table is a summary of compensation paid to the NEOs for the three most recently completed financial years. All amounts have been adjusted to reflect the impact of the Rights Offering and Share Consolidation, where appropriate.

Name and Principal Position	Year	Salary <sup>(1)(2)</sup> (C\$)	Share-based awards (C\$)	Option-based awards (C\$) <sup>(3)(10)</sup>	Non-equity incentive plan compensation (\$)		Pension value (C\$)	All Other Compensation (C\$)	Total compensation (C\$)
					Annual incentive plans	Long-Term Incentive Plan			
<b>Luis A. Tondo</b> <sup>(4)</sup> CEO and Former President	2019	\$388,863	N/A	\$71,402	N/A	N/A	N/A	Nil	\$460,265
	2018	\$409,260	N/A	\$61,430	N/A	N/A	N/A	Nil	\$470,690
	2017	\$214,155	N/A	\$433,878	N/A	N/A	N/A	Nil	\$648,033
<b>Leonardo Araya</b> <sup>(5)</sup> CFO	2019	\$155,545	N/A	\$157,058	N/A	N/A	N/A	Nil	\$312,603
<b>Armando Véliz</b> <sup>(6)</sup> Former CFO	2019	\$99,376	N/A	Nil	N/A	N/A	N/A	Nil	\$99,376
	2018	\$261,472	N/A	\$177,434	N/A	N/A	N/A	Nil	\$438,906
<b>Patricio Pinto</b> <sup>(7)</sup> Director, Corporate Affairs	2019	\$200,640	N/A	Nil	N/A	N/A	N/A	Nil	\$200,640
	2018	\$130,778	N/A	Nil	N/A	N/A	N/A	Nil	\$130,778
<b>Nick Bias</b> <sup>(8)</sup> Former Vice President Corporate Development and Investor Relations	2019	\$326,667	N/A	Nil	N/A	N/A	N/A	Nil	\$36,667
	2018	\$248,506	N/A	\$212,921	N/A	N/A	N/A	Nil	\$461,427
<b>Sergio Rivera</b> Vice President of Exploration	2019	\$298,644	N/A	\$71,402	N/A	N/A	N/A	Nil	\$370,046
	2018	\$319,166	N/A	\$16,500	N/A	N/A	N/A	\$370,500 <sup>(9)</sup>	\$706,166
	2017	\$325,052	N/A	N/A	N/A	N/A	N/A	\$379,217 <sup>(9)</sup>	\$704,268

### Notes:

- (1) Includes consulting fees paid to the NEOs.
- (2) Amounts converted into Canadian dollars using the following exchange rates: US\$ to C\$ - 1.2962; GBP to C\$ - 1.7193 and CLP to US\$ - 0.0013.
- (3) Dollar amount based on the grant date fair value of the award for the financial year covered in the table.
- (4) Mr. Tondo was appointed President and CEO of the Company on June 7, 2017 and resigned as President on July 20, 2020.
- (5) Mr. Araya was appointed CFO on April 9, 2019.
- (6) Mr. Véliz was appointed CFO on May 1, 2018 and resigned as CFO on April 9, 2019.
- (7) Mr. Pinto was appointed Director, Corporate Affairs on June 18, 2018.
- (8) Mr. Bias was appointed Vice President Corporate Development and Investor Relations on April 11, 2018 and ceased to be Vice President Corporate Development and Investor Relations on November 30, 2019.

(9) Amounts represent bonuses paid to Mr. Rivera pursuant to his employment agreement.

(10) The Company followed the principles established under International Financial Reporting Standards which requires the determination of a fair value of the options granted and the use of a risk-free interest rate. The options were valued based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Risk free interest rate	1.5%	1.5% to 2.0%	0.76% to 1.05%
Expected life	5 years	5 years	2.5 to 3.5 years
Expected volatility	109% to 111%	110% to 121%	122%
Expected dividend	0%	0%	0%

### Option-Based Awards-Fair Value Calculation

The use of option pricing models requires the input of highly objective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

## INCENTIVE PLAN AWARDS

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the outstanding option-based awards held by the Company's NEOs as of December 31, 2019 and includes awards granted before the most recently completed financial year. All amounts have been adjusted to reflect the effects of the Rights Offering and Share Consolidation:

<i>Amounts expressed Canadian Dollars (C\$)</i>	Option-based Awards				Share-based Awards	
<b>Name</b>	<b>Number of Securities underlying unexercised options (#)</b>	<b>Options exercise price (C\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (C\$)<sup>(4)</sup></b>	<b>Number of shares or units of shares that have not vested (#)</b>	<b>Market or payout value of share-based awards that have not vested (C\$)</b>
<b>Luis A. Tondo<sup>(2)</sup></b> CEO and Former President	260,078 60,000	\$2.125 \$1.50	12-June-22 2-Jan-24	Nil \$7,800	N/A	N/A
<b>Leonardo Araya<sup>(3)</sup></b> CFO	80,000	\$2.50	3-Apr-24	Nil	N/A	N/A
<b>Armando Veliz<sup>(4)</sup></b> Former CFO	Nil	N/A	N/A	Nil	N/A	N/A
<b>Patricio Pinto<sup>(5)</sup></b> Director, Corporate Affairs	52,016	\$1.925	6-Dec-23	Nil	N/A	N/A

<i>Amounts expressed Canadian Dollars (C\$)</i>	<b>Option-based Awards</b>				<b>Share-based Awards</b>	
<b>Name</b>	<b>Number of Securities underlying unexercised options (#)</b>	<b>Options exercise price (C\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (C\$)<sup>(1)</sup></b>	<b>Number of shares or units of shares that have not vested (#)</b>	<b>Market or payout value of share-based awards that have not vested (C\$)</b>
<b>Nick Bias<sup>(6)</sup></b> Former Vice President Corporate Development and Investor Relations	83,225	\$1.725	28-Feb-21	Nil	N/A	N/A
<b>Sergio Rivera</b> Vice President of Exploration	78,023 60,000	\$0.775 \$1.50	16-Feb-21 2-Jan-24	\$66,710 \$7,800	N/A	N/A

**Notes:**

- (1) The closing price of the Company's common shares at December 31, 2019 was C\$1.63. No value has been given to unexercised options that were out-of-the-money on December 31, 2019.
- (2) Mr. Tondo resigned as President of the Company on July 20, 2020.
- (3) Mr. Araya was appointed CFO on April 9, 2019.
- (4) Mr. Veliz resigned as CFO on April 9, 2019.
- (5) Mr. Pinto was appointed Director, Corporate Affairs on June 18, 2018.
- (6) Mr. Bias ceased to be Vice President Corporate Development and Investor Relations on November 30, 2019.

**Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year**

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO.

<i>Expressed in Canadian Dollars (C\$)</i>	<b>Option-base awards – Value vested during the year<sup>(1)</sup> (C\$)</b>	<b>Share-based awards – Value vested during the year (C\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (C\$)</b>
<b>Name</b>			
<b>Luis A. Tondo<sup>(2)</sup></b> CEO and Former President	\$Nil	N/A	N/A
<b>Leonardo Araya<sup>(3)</sup></b> CFO	\$Nil	N/A	N/A
<b>Armando Véliz<sup>(4)</sup></b> Former CFO	\$31,383	N/A	N/A
<b>Patricio Pinto<sup>(5)</sup></b> Director, Corporate Affairs	\$Nil	N/A	N/A
<b>Nick Bias<sup>(6)</sup></b> Former Vice President Corporate Development and Investor Relations	\$37,659	N/A	N/A
<b>Sergio Rivera</b> Vice President of Exploration	\$Nil	N/A	N/A

**Notes:**

- (1) The amounts above disclose the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date by determining the difference between the market price of the shares on the vesting date and the exercise price of the options.

- (2) Mr. Tondo resigned as President on July 20, 2020.
- (3) Mr. Araya was appointed CFO on April 9, 2019.
- (4) Mr. Véliz resigned as CFO on April 9, 2019.
- (5) Mr. Pinto was appointed Director, Corporate Affairs on June 18, 2018.
- (6) Mr. Bias ceased to be Vice President Corporate Development and Investor Relations on November 30, 2019.

## PENSION PLAN BENEFITS

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

As at December 31, 2019, the Company had contractual arrangements with each of its NEOs, some of which have a termination and a change of control benefits clause. The terms of each of the NEO's employment agreements are contained in this Circular under the heading "Compensation Discussion and Analysis - Base Salary".

**Mr. Tondo, CEO and former President:** In accordance with his employment agreement with the Company, the Company may terminate Mr. Tondo's services at any time for cause and all compensation and benefits shall cease accruing on the termination date. The Company may terminate his employment at any time without cause following six months' written notice, or payment of US\$150,000 in lieu of such notice. In the event the employment agreement is terminated by the Company without cause within six months of a Control Change (as defined in the employment agreement) or by Mr. Tondo for Good Reason (as defined in the employment agreement) within six months of a Control Change, Mr. Tondo shall be entitled to US\$750,000 and all rights shall become immediately exercisable for a period of 60 business days. If Mr. Tondo terminates the agreement for Good Reason at any other time, Mr. Tondo shall be entitled to US\$150,000. Mr. Tondo resigned as President of the Company on July 20, 2020.

**Mr. Rivera, Vice President of Exploration:** In accordance with his employment agreement, the Company may terminate the employment of Mr. Rivera with cause following five days' written notice and all compensation and benefits shall cease accruing on the termination date. The Company may terminate the employment of Mr. Rivera without cause following six months' written notice or the payment of US\$142,500 (less any other payments due or payable to Mr. Rivera under other contractual arrangements or legal requirements in or outside of Canada). In the event his employment is terminated by the Company without cause within six months of a Control Change (as defined in the employment agreement) or by Mr. Rivera for Good Reason (as defined in the employment agreement) within six months of a Control Change, Mr. Rivera shall be entitled to a US\$712,500 payment.

The following table sets out the maximum amount the Company could be obligated to pay in the event that a NEO was terminated without cause following a Control Change as of December 31, 2019:

<i>Expressed in Canadian Dollars (C\$)</i>	<b>Termination Payment<sup>(1)</sup></b>
<b>Name</b>	<b>(C\$)</b>
<b>Luis A. Tondo<sup>(2)</sup></b> CEO and former President	\$974,100
<b>Sergio Rivera</b> Vice President of Exploration	\$925,395

**Notes:**

- (1) Amounts converted to Canadian dollars using the US to C\$ exchange rate of 1.2988
- (2) Mr. Tondo resigned as President on July 20, 2020.



The Company would also be obligated to continue the NEO's option entitlements for the period set out in the 2018 Stock Option Plan in the event that a NEO was terminated without cause following a Control Change.

The following table sets out the maximum amount the Company could be obligated to pay in the event that a NEO was terminated without cause as of December 31, 2019 assuming such event was not in connection with a Control Change.

<i>Expressed in Canadian Dollars (C\$)</i>	<b>Termination Payment<sup>(1)</sup></b>
<b>Name</b>	<b>(C\$)</b>
<b>Luis A. Tondo<sup>(2)</sup></b> CEO and former President	\$194,820
<b>Sergio Rivera</b> Vice President of Exploration	\$185,079

**Notes:**

- (1) Amounts converted to Canadian dollars using the US to C\$ exchange rate of 1.2988  
(2) Mr. Tondo resigned as President on July 20, 2020.

The Company would also be obligated to continue the NEO's option entitlements for the period set out in the 2018 Stock Option Plan in the event that a NEO was terminated without cause assuming such event was not in connection with a Control Change.

## DIRECTOR COMPENSATION

Except as noted below, no other compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the Board of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

The following table sets forth the details of compensation provided to the directors, other than the NEOs, during the Company's most recently completed financial year. The value disclosed under option-based awards for directors represents the deemed dollar value of the options granted.

<i>Amounts expressed in Canadian dollars (C\$)</i>	<b>Fees Earned (C\$)</b>	<b>Share-based Awards (C\$)</b>	<b>Option-based Awards (C\$)</b>	<b>Non-Equity Incentive Plan Compensation (C\$)</b>	<b>Pension Value (C\$)</b>	<b>All Other Compensation (C\$)</b>	<b>Total (C\$)</b>
<b>Name</b>							
<b>Alan J. Stephens</b>	\$25,000	N/A	Nil	N/A	N/A	\$112,294 <sup>(1)</sup>	\$137,294
<b>Colin Kinley</b>	\$25,000	N/A	Nil	N/A	N/A	Nil	\$25,000
<b>Michael Haworth<sup>(2)</sup></b>	\$25,000	N/A	Nil	N/A	N/A	Nil	\$25,000
<b>Petra Decher</b>	\$25,000	N/A	Nil	N/A	N/A	Nil	\$25,000
<b>Tim Petterson</b>	\$25,000	N/A	Nil	N/A	N/A	Nil	\$25,000

**Notes:**

- (1) Amounts represent fees earned under a Consulting Agreement between Mr. Stephens and the Company as explained below.  
(2) Fees earned and options granted were made to Greenstone Management Limited, on behalf of Michael Haworth, who is a principal of Greenstone Management Limited.

### *Employment Agreement – Mr. Stephens*

In his previous role as Executive Director of the Company, Mr. Stephens received an amount of C\$18,333 per month pursuant to an employment agreement dated for reference January 1, 2012, as amended by an agreement dated effective April 1, 2012 entered into by the Company and Mr. Stephens. On July 31, 2018, Mr. Stephens ceased being the Executive Director of the Company and agreed to become a Non-Executive Director of the Company. Effective July 31, 2018, Mr. Stephens entered into a 12-month consultancy agreement, pursuant to which the Company pays Mr. Stephens for the provision of the services, during seven (7) calendar days per month, CDN\$16,042 and for services that exceed seven (7) calendar days in a month a daily fee of GBP1,500. The agreement terminated on July 31, 2019.

Membership on each committee of the Board is disclosed herein under the heading, “Election of Directors”.

All directors are reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

Pursuant to the 2018 Stock Option Plan, options to purchase common shares of the Company have been granted to the directors at exercise prices at least equal or greater than the share price of common shares at the date of granting such options during the year-ended December 31, 2019.

### **INCENTIVE PLAN AWARDS**

The following table sets forth the outstanding options-based awards held by the directors of the Company as of December 31, 2019 and includes awards granted before the most recently completed financial year. Amounts have been adjusted to reflect the impact of the Rights Offering and Share Consolidation:

	<b>Option-based Awards</b>				<b>Share-based Awards</b>	
<i>Expressed in Canadian Dollars (C\$)</i>	<b>Number of securities underlying unexercised options (#)</b>	<b>Option exercise price (C\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (C\$)<sup>(1)</sup></b>	<b>Number of shares or units of shares that have not vested (#)</b>	<b>Market or payout value of share-based awards that have not vested (\$)</b>
<b>Name</b>						
<b>Alan J. Stephens</b>	104,031	\$0.775	16-Feb-21	\$88,947	N/A	N/A
	260,078	\$3.85	11-Aug-21	Nil	N/A	N/A
	35,000 <sup>(2)</sup>	\$1.50	28-Nov-23	\$4,550	N/A	N/A
<b>Colin Kinley</b>	26,008	\$0.775	16-Feb-21	\$22,237	N/A	N/A
	26,008	\$3.85	11-Aug-21	Nil	N/A	N/A
	104,031 <sup>(3)</sup>	\$1.725	9-Oct-23	Nil	N/A	N/A
	80,000 <sup>(2)</sup>	\$1.50	28-Nov-23	\$10,400	N/A	N/A

	Option-based Awards				Share-based Awards	
<i>Expressed in Canadian Dollars (C\$)</i>	<b>Number of securities underlying unexercised options (#)</b>	<b>Option exercise price (C\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (C\$)<sup>(1)</sup></b>	<b>Number of shares or units of shares that have not vested (#)</b>	<b>Market or payout value of share-based awards that have not vested (\$)</b>
<b>Name</b>						
<b>Michael Haworth<sup>(4)</sup></b>	26,008	\$0.775	16-Feb-21	\$22,237	N/A	N/A
	26,008	\$3.85	11-Aug-21	Nil	N/A	N/A
	7,802	\$1.725	9-Oct-23	Nil	N/A	N/A
	45,000 <sup>(2)</sup>	\$1.50	28-Nov-23	\$5,850	N/A	N/A
<b>Petra Decher</b>	26,008 <sup>(5)</sup>	\$1.725	4-May-23	Nil	N/A	N/A
	7,802 <sup>(3)</sup>	\$1.725	9-Oct-23	Nil	N/A	N/A
	45,000 <sup>(2)</sup>	\$1.50	28-Nov-23	\$5,850	N/A	N/A
<b>Tim Petterson</b>	35,000 <sup>(2)</sup>	\$1.50	28-Nov-23	\$4,550	N/A	N/A

**Notes:**

- (1) The closing price of the Company's common shares at December 31, 2019 was C\$1.63. No value has been given to unexercised options that were out-of-the-money on December 31, 2019.
- (2) The options are subject to the following vesting provisions: 1/3 vested on November 28, 2019, 1/3 will vest on November 28, 2020 and 1/3 will vest on November 28, 2021.
- (3) The options are subject to the following vesting provisions: 1/3 vested on October 9, 2019, 1/3 will vest on October 9, 2020 and 1/3 will vest on October 9, 2021.
- (4) These options were granted to Greenstone Management Limited, on behalf of Michael Haworth, who is a principal of Greenstone Management Limited.
- (5) These options are subject to vesting restrictions, so that 8,669 vested on May 4, 2018, 8,669 vested on May 4, 2019 and 8,470 vested on May 4, 2020.

**Incentive Plan Awards – Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year**

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

<i>Amounts expressed in Canadian Dollars (C\$)</i>	<b>Option-based awards – Value vested during the year</b>	<b>Share-based awards – Value vested during the year</b>	<b>Non-equity incentive plan compensation – Value earned during the year</b>
<b>Name</b>	<b>(C\$)<sup>(1)</sup></b>	<b>(C\$)</b>	<b>(C\$)</b>
<b>Alan J. Stephens</b>	\$5,833	N/A	N/A
<b>Colin Kinley</b>	\$27,378	N/A	N/A
<b>Michael Haworth<sup>(2)</sup></b>	\$8,553	N/A	N/A

<i>Amounts expressed in Canadian Dollars (C\$)</i>	<b>Option-based awards – Value vested during the year</b>	<b>Share-based awards – Value vested during the year</b>	<b>Non-equity incentive plan compensation – Value earned during the year</b>
<b>Name</b>	<b>(C\$)<sup>(1)</sup></b>	<b>(C\$)</b>	<b>(C\$)</b>
<b>Petra Decher</b>	\$16,399	N/A	N/A
<b>Tim Petterson</b>	\$5,833	N/A	N/A

**Notes:**

- (1) The amounts above disclose the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date by determining the difference between the market price of the shares on the vesting date and the exercise price of the options.
- (2) Options were granted to Greenstone Management Limited, on behalf of Michael Haworth, who is a principal of Greenstone Management Limited.

### **EQUITY COMPENSATION PLAN**

The following table sets out those securities of the Company which have been authorized for issuance under equity company compensation plans as at December 31, 2019. Figures have been adjusted to reflect the impact of the Share Consolidation.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (C\$)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by the securityholders	1,615,750	\$2.50	4,820,035
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
<b>Total</b>	1,615,750	\$2.50	4,820,035

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers or employees of the Company or any of its subsidiaries, the proposed nominees for election to the Board, nor any associate of such persons is as at the date hereof, or has been indebted to the Company, since the beginning of the most recently completed financial year of the Company. In addition, no indebtedness of these individuals to another entity has been subject of a guarantee, support agreement, letter or credit or similar arrangement or understanding of the Company or any of its subsidiaries.

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

Except as otherwise disclosed in this Circular, no director or executive officer of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the approval of a new Omnibus Incentive Plan.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

During the last completed financial year, the Company entered into several transactions with its majority shareholder, Greenstone Resources L.P. or its affiliates, as described below:

Subsequent to December 31, 2019, the Company signed a twelve-month loan agreement with GSII and Tembo II, affiliates of Greenstone Resources L.P. and Tembo Capital Mining GP Limited, respectively, to provide a \$6.0 million working capital loan. The working capital loan has a 12-month term from the date of closing and bears interest at 12% per annum. GSII and Tembo will receive an aggregate 3% arrangement fee under the working capital loan, which will be payable at maturity. Mr. Haworth, a director and the Executive Chairman of the Company, is the joint managing partner of Greenstone Capital LLP.

Except as otherwise disclosed in this Circular, none of the persons who were directors or executive officers of the Company or a subsidiary of the Company at any time during the Company's last financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over directly or indirectly (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company or its subsidiaries.

#### **MANAGEMENT CONTRACTS**

No management functions of the Company or its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries.

#### **APPOINTMENT OF AUDITORS**

Management of the Company intends to nominate PricewaterhouseCoopers LLP, Chartered Professional Accountants, for re-appointment as auditors of the Company. Proxies given pursuant to the solicitation by Management will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Company to hold office until the close of the next annual general meeting of the Company, at a remuneration to be fixed by the directors. PricewaterhouseCoopers LLP, Chartered Professional Accountants, were first appointed as auditors of the Company on June 12, 2006.

#### **AUDIT COMMITTEE DISCLOSURE**

Detailed information required by National Instrument 52-110 - *Audit Committees* is presented in the Company's Annual Information Form dated April 8, 2020 under the heading "Information on Audit Committee". The Annual Information Form is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201 - *Corporate Governance Guidelines*. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance policies. The Company's approach to corporate governance is set out below. The Board is constantly engaged in an ongoing review of the Company's corporate governance practices. The Board considers good corporate governance to be central to the effective and efficient operations of the Company.

## Board of Directors

Management is nominating six individuals to the Board, being Luis A. Tondo, Alan J. Stephens, Colin Kinley, Michael Haworth, Petra Decher and Tim Petterson, each of whom is a current director of the Company. The board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent”. Of the proposed nominees of the Company, Colin Kinley, Petra Decher and Tim Petterson are considered by the Board to be “independent”, Luis Tondo and Michael Haworth, are considered to be management directors and are considered to be “non-independent” and Alan J. Stephens is considered “non-independent” due to his prior executive role, all within the meaning of National Instrument 52-110 - *Audit Committees*.

The Executive Chairman of the Board is Michael Haworth, who is not an “independent” director within the meaning of National Instrument 52-110 - *Audit Committees*. Following Mr. Haworth’s appointment to Executive Chairman, the Board of Directors appointed Petra Decher as its Lead Director. Although the Company does not currently have a majority of independent directors, the independent directors meet on an as needed basis when circumstances arise to facilitate an open and candid discussion and to ensure the Board can exercise independent judgement when carrying out its responsibilities.

The Chairman is responsible for managing the affairs of the Board and works with the CEO and other management to ensure effective relations with the Board, the shareholders and the public.

## Directorships

The following directors of the Company are directors of other reporting issuers:

Director	Other Reporting Issuer(s)
Luis A. Tondo	None
Alan J. Stephens	Weatherly International PLC (AIM)
Colin Kinley	Excelsior Mining Corp. (TSX) Eco Atlantic Oil and Gas Ltd. (LSE; TSX-V)
Michael Haworth	Excelsior Mining Corp. (TSX) Ncondezi Energy Limited (LSE) Adventus Zinc Corporation (TSX-V) Northern Vertex Mining Corp. (TSX-V)
Petra Decher	Ascendant Resources Inc. (TSX) Rockliff Metals Corp. (CSE)
Tim Petterson	None

## Meetings of the Board

The Board meets on an as needed basis to review, among other things, the performance of the Company. Other meetings of the Board will be called as circumstances arise. In addition, Board memos are prepared as required to ensure the Board is kept informed of all relevant matters.

The independent directors of the Company also meet on an as needed basis when circumstances arise. The Audit Committee meets quarterly and also has in camera sessions with the auditors without Management present.

All directors attended 100% of the full Board meetings that were held during the year ended December 31, 2019.

### **Board Mandate**

The Board has adopted a Board mandate, which generally speaking, is to manage and supervise the management of the business and affairs of the Company and to act with a view to the best interest of the Company. The Board oversees the management of the Company's affairs directly and through committees. The Board's responsibilities include, among other matters, reviewing and approving the Company's overall business strategies and annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget, reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives, and assessing Management's performance against approved business plans and industry standards.

### **Position Descriptions**

The Board, together with the Corporate Secretary and Lead Director, is continually updating the Board policy manual, which provides position descriptions for the directors and senior officers of the Company, including in respect of limitations to Management's responsibilities.

Currently, the Board has delegated the day-to-day management of the business and affairs of the Company to the executive officers of the Company and has adopted a table of delegated authorities. Decisions relating to matters that are not in the ordinary course and that involve material expenditures or commitments on the part of the Company require prior approval of the Board. Any responsibility which is not delegated to Management or a committee of the Board remains with the Board.

### **Orientation and Continuing Education**

The Compensation Committee is responsible for ensuring that Management develops an orientation and education program for new members of the Board and an education program for all members of the Board. New directors are provided with an orientation and education program which includes written information about the business and operations of the Company, documents from recent Board meetings, and opportunities for meetings and discussion with senior Management and other directors. The Company will also give tours of its properties to give directors additional insight into the Company's business. In addition, Management of the Company takes steps to ensure that its directors and officers are updated regarding corporate and securities policies which may affect the directors, officers, committee members and the Company as a whole. The Company continually reviews developments in securities rules and policies, and changes or new requirements are brought to the attention of the directors by way of director meetings or in written reports.

### **Ethical Business Conduct**

The Board has adopted a code of conduct and a whistleblowing policy pursuant to which employees can communicate complaints of alleged violations of law, regulation or internal Company policy. The full text of the code of conduct is available on the Company's website at [www.coromining.com](http://www.coromining.com).

In addition, certain of the directors of the Company serve as directors and officers of other companies engaged in similar business activities and therefore it is possible that a conflict may arise between their duties as a director or officer of such other companies and their duties as a director or officer of the Company. The directors of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the required disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' conflicts of interest or in respect of any breaches of duty by any of its directors. All such conflicts must be disclosed by such directors or officers in accordance with the *Business Corporations Act* (British Columbia).

### **Compensation**

The Board has established a Compensation Committee comprised of a majority independent directors. For the year ended December 31, 2019, the Compensation Committee members were Mr. Haworth (Chair), Mr. Kinley and Ms. Decher. Mr. Kinley and Ms. Decher were independent directors. Subsequent to the December 31, 2019 year end, Mr. Haworth was appointed Executive Chairman of the Company. Following Mr. Haworth's appointment to Executive Chairman, Mr. Haworth resigned as Chair of the Compensation Committee and Mr. Kinley was appointed Chair. Information on the Compensation Committee, and the Company's approach to compensation, is contained in this Circular under the heading "Compensation Discussion and Analysis". The Compensation Committee is also responsible for certain environmental, social and corporate governance ("ESG") matters and has the authority to approve the adoption of any ESG-related standards or initiatives. It also engages with shareholders and other stakeholders of the Company in respect of ESG issues monitors, assesses and manages risk-related environmental and social issues and periodically reviews and, when appropriate, establishes ESG-related goals and objectives relevant to the compensation of the Marimaca Group's employees. Although the Compensation Committee is not currently comprised of solely independent directors, the only non-independent member (Mr. Haworth) does not receive remuneration other than for his service as a director, and the Board is satisfied that there is an objective process for determining compensation.

### **Nomination of Directors**

The Compensation Committee develops and monitors the Company's overall approach to corporate governance issues and, subject to approval by the Board, implements and administers a system of corporate governance which reflects superior standards of corporate governance practices. In fulfilling this role, the Compensation Committee periodically reviews and assesses the adequacy of the Company's corporate governance principles and develops and recommends to the Board for adoption additional or revised principles as appropriate.

The Compensation Committee analyzes and reports to the Board the relationship of each director to the Company and significant shareholders as to whether or not such director is considered "independent" within the meaning of applicable corporate and securities law and policies. The Compensation Committee also determines the appropriate committee structure of the Board and advises the Board or any of the committees of the Board of any corporate governance issues which the Compensation Committee determines ought to be considered. The Compensation Committee reviews with the Board the role of the Board, the terms of reference of each of the committees of the Board and the methods and processes by which the Board fulfills its duties and responsibilities. Finally, the Committee proposes to the Board annually, nominees for election or appointment to the Board to fill Board vacancies and the assignment of members to the committees of the Board and the chair for each committee. Although the Compensation Committee is not currently comprised of solely independent directors, the Board is satisfied that there is an objective nomination process.



## **Other Committees**

Other than the Audit Committee and Compensation Committee, the Board does not have any other standing committees.

## **Assessment**

Currently, the Board works with the Compensation Committee to review the effectiveness of its committees and individual directors. The Board intends to implement formal assessment procedures to be carried out on an annual basis, but does not currently have such procedures in place, but will consider implementing one in the future should circumstances warrant.

## **Term Limits**

The Board has not adopted policies imposing an arbitrary term or retirement age limit in connection with individuals nominated for election as directors as it does not believe that such a limit is in the best interests of the Company. The Compensation Committee reviews the composition of the Board, including the age and tenure of individual directors. The Board strives to achieve a balance between the desirability to have a depth of industry experience from its members on the one hand and the need for renewal and new perspectives on the other hand.

## **Gender Diversity**

Although the Board has not adopted a formal written policy relating to the levels of representation of women on the Board and in executive officer positions, it is committed to diversity and inclusion in all levels in the workplace and on the Board. To this end, the Board is dedicated to cultivating an environment where individual differences are respected, the ability to contribute and access employment opportunities is based on performance, skill and merit, and appropriate attitudes, behaviours and stereotypes are confronted and eliminated and does not, at this time, believe a formal policy is necessary. The Board does not support the adoption of quotas and, accordingly, has not adopted formal targets for the levels of representation of women on the Board or in executive officer positions, Management and the Board will consider diversity as an element of the overall selection criteria of candidates.

Ms. Decher, the current Lead Director of the Board, was appointed as a director of the Company on May 7, 2018 and the Company believes this is a positive step towards achieving diversity throughout the Company.

As at December 31, 2019, (a) none of the Company's personnel at the executive management level were female and none of such personnel identified themselves as part of a minority group and (b) the Company's Board included one female member and none of the Board members identified themselves as belonging to a minority group.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **SPECIAL BUSINESS – APPROVAL OF THE OMNIBUS INCENTIVE PLAN**

The Board has determined that it is advisable to adopt an Omnibus Incentive Plan (the “**Omnibus Plan**”), a copy of which is attached as Schedule “A” to this Circular, which it believes is in the best interests of the Company and Shareholders. The Omnibus Plan will supplement the Company's 2018 Stock Option Plan. Options granted under the 2018 Stock Option Plan will remain outstanding and governed by the terms of the 2018 Stock Option Plan, but no new Options will be granted under the 2018 Stock Option Plan if the

Omnibus Plan is approved. If the Omnibus Plan is not approved, the Company may determine to resume use of the 2018 Stock Option Plan, subject to the re-approval of Shareholders of the Company of the 2018 Stock Option Plan (which was most recently re-approved by Shareholders of the Company on June 27, 2018) and the approval of the TSX. The following is a description of the key terms of the Omnibus Plan, which is qualified in its entirety by reference to the full text of the Omnibus Plan.

### Key Terms of the Omnibus Plan

<b>Purpose:</b>	To attract and retain key talent who are necessary or essential to Marimaca's success, image, reputation or activities. It also allows Marimaca to reward key talent for their performance and greater align their interests with those of Marimaca's Shareholders.
<b>Eligible Participants:</b>	Any employee, executive officer, director or consultant of the Company or any of its subsidiaries is an "Eligible Participant" (as defined in the Omnibus Plan and considered eligible to be selected to receive and Award (as defined therein) under the Omnibus Plan.
<b>Award Types:</b>	Options and RSUs
<b>Share Reserves:</b>	The maximum number of Common Shares of the Company available for issuance under the Omnibus Plan will not exceed 10% of the Company's issued and outstanding Common Shares, less the number of Common Shares subject to grants of Options under the Company's Existing Option Plan adopted by the Company. The share reserve will also be impacted by the "Share Counting" definitions as set out below.
<b>Share Counting:</b>	Each common share subject to an RSU is counted as reserving one common share under the Omnibus Plan, and each common share subject to an Option is counted as reserving one common share under the Omnibus Plan.
<b>Share Recycling:</b>	If an outstanding Award (or portion thereof) expires or is forfeited, surrendered, cancelled or otherwise terminated for any reason without having been exercised or settled in full, or if Common Shares acquired pursuant to an Award subject to forfeiture are forfeited, the Common Shares covered by such Award, if any, will again be available for issuance under the Omnibus Plan. Common Shares will not deemed to have been issued pursuant to the Omnibus Plan with respect to any portion of an Award that is settled in cash.
<b>Plan Renewal:</b>	The Omnibus Plan will be approved for a 3-year period, with Shareholder approval next required at Marimaca's 2023 Annual General Meeting.

Greater detail on the Omnibus Plan is provided below:

## **Purpose**

The purpose of the Omnibus Plan is:

- (a) to increase the interest in the Company's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Company or a Subsidiary; and
- (d) to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

## **Types of Awards**

The Omnibus Plan provides the grant of Options and RSUs (each an “**Award**” and, collectively, the “**Awards**”). All Awards are granted by an agreement or other instrument or document evidencing the Award granted under the Omnibus Plan.

## **Plan Administration**

The Omnibus Plan is administered by the Board, which may delegate its authority to a committee or plan administrator. Subject to the terms of the Omnibus Plan, applicable law and the rules of the TSX, the Board (or its delegate) will have the power and authority to: (i) designate the Eligible Participants who will receive Awards (an Eligible Participant who receives an Award, a “**Participant**”); (ii) designate the types and amount of Award to be granted to each Participant; (iii) determine the terms and conditions of any Award, including any vesting conditions or conditions based on performance of the Company or of an individual (“**Performance Criteria**”); (iv) to interpret and administer the Omnibus Plan and any instrument or agreement relating to it, or award made under it; and (v) make such amendments to the Omnibus Plan as are permitted by the Omnibus Plan and the rules of the TSX.

## **Shares Available for Awards**

The Company currently has 2,274,314 Common Shares available for issue under the 2018 Stock Option Plan, representing 3.5% of the outstanding Common Shares which will be made available for grant under the Omnibus Plan, and no longer available under the 2018 Stock Option Plan, once the Omnibus Plan is approved by Shareholders at the Meeting. As of the Record Date, there were 4,161,471 Common Shares reserved for issuance pursuant to Options granted under the 2018 Stock Option Plan, representing 6.5% of the outstanding Common Shares. Subject to adjustments as provided for under the Omnibus Plan, the maximum number of Common Shares of the Company available for issuance under the Omnibus Plan will not exceed 10% of the Company’s issued and outstanding Common Shares, less the number of Common Shares subject to grants of Options under the Company’s 2018 Stock Option Plan.

The Omnibus Plan sets out the calculation of the number of shares reserved for issuance based on whether the shares are reserved for issuance pursuant to the grant of an Option or an RSU. The Omnibus Plan is considered to be an “evergreen” plan as Common Shares of the Company covered by Awards which have been exercised or settled, as applicable, will be available for subsequent grant under the Omnibus Plan and the number of Awards that may be granted under the Omnibus Plan increases as the total number of issued and outstanding Common Shares of the Company increases.

### **Limits with Respect to Insiders, Individual Limits, Annual Grant Limits**

- (1) The maximum number of the Company's securities issuable to Insiders, at any time under the Omnibus Plan, or when combined with the Company's 2018 Stock Option Plan, cannot exceed ten percent (10%) of the Company's total issued and outstanding securities.
- (2) The maximum number of the Company's securities issued to Insiders, within any one-year period, under the Omnibus Plan, or when combined with the Company's 2018 Stock Option Plan, cannot exceed ten percent (10%) of the Company's total issued and outstanding securities.

### **Eligible Participants**

Any employee, executive director, director, or consultant of the Company or any of its subsidiaries is and “Eligible Participant” and considered eligible to be selected to receive an Award under the Omnibus Plan. Eligibility for the grant of Awards and actual participation in the Omnibus Plan is determined by the Board or its delegate.

### **Description of Awards**

#### **1. Options**

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Common Shares from treasury at an exercise price set at the time of grant (the “**Option Price**”). Options are exercisable, subject to vesting criteria established by the Board at the time of grant as set out in the Participant’s Option Agreement (as defined in the Omnibus Plan) which need not be identical for all Options, over a period as established by the Board from time to time which shall not exceed 10 years from the date of grant. The Option Price shall not be set at less than the closing price of the Common Shares on the TSX on the day before the grant is made. At the time of grant of an Option, the Board may establish vesting conditions in respect of each Option grant, which may include Performance Criteria related to corporate or individual performance. The Omnibus Plan also permits the Board to grant an option holder, at any time, the right to deal with such Option on a cashless exercise basis in accordance with the formula set out in Section 4.6 of the Omnibus Plan. Each common share subject to an Option is counted as reserving one common share under the Omnibus Plan.

#### **2. Restricted Share Units**

An RSU is an Award in nature of a bonus for services rendered, or for future services to be rendered, and that upon settlement, entitles the recipient to receive Common Shares. The Board may establish conditions and vesting provisions, including Performance Criteria, as set out in a Participant’s RSU Agreement (as defined in the Omnibus Plan), which need not be identical for all RSUs. An RSU may be forfeited if conditions to vesting are not met. The Company is obligated to deliver Common Shares on the settlement of RSUs and shall have no independent discretion to settle RSUs in cash or other property other than Common Shares, however a Participant will have the ability to elect to redeem such portion (and only such portion) of its vested RSUs for a cash amount equal to the Tax Obligations (as defined in the Omnibus Plan)

associated with the aggregate number of RSUs to be redeemed in lieu of receiving Common Shares for such RSUs. The Board shall determine, and shall evidence in the applicable RSU Agreement, the period during which a vested RSU may be redeemed by either the Company or the Participant, and may determine the maximum period during which any vested RSU may remain outstanding prior to settlement. The Board, in its discretion, may award dividend equivalents with respect to Awards of RSUs. Such dividend equivalent entitlements will not be available until RSUs are vested and paid out. Each common share subject to a RSU is counted as reserving one common share under the Omnibus Plan.

### **Effect of Termination on Awards**

Unless otherwise provided for in an Award Agreement or determined by the Board on an individual basis, in the event of the Participant's:

- (a) **Voluntary Resignation:** All of the Participant's unvested Awards are immediately forfeited on the termination date and any vested Awards remain exercisable until the earlier of ninety (90) days following the termination date and the expiry date of the Award.
- (b) **Termination for Cause:** All of the Participant's vested and unvested Options immediately terminate and all unvested RSU Awards are immediately forfeited on the termination date.
- (c) **Termination nor for Cause:** All of the Participant's unvested Options immediately terminate and any vested Options remain exercisable until the earlier of ninety (90) days following the termination date and the expiry date of the Option. All RSUs as of such date remain outstanding and in effect pursuant to the terms of the applicable RSU Agreement, which may be accelerated by the Board in its discretion. If the Board determines that the vesting conditions are not met for such RSUs, then all unvested RSUs credited to such Participant shall be forfeited or cancelled; if the vesting conditions for such RSUs are met, the RSUs shall be considered settled.
- (d) **Termination Due to Disability or Retirement:** The Participant's RSU Awards continue to vest as provided for in (c) above. Any vested Options remain exercisable until the earlier of ninety (90) days following the vesting date of the Option and the expiry date of the Option.
- (e) **Termination Due to Death:** The Participant's RSU Award continue to vest in accordance with (c) above. Any vested Options remain exercisable by the Participant's beneficiary until the earlier of six months following the termination date and the expiry date of the Option.
- (f) **Termination in Connection with a Change of Control:** If, after a Change of Control (as defined in the Omnibus Plan), a Participant who was also an officer or employee of, or a consultant to, the Company prior to the Change of Control, has their position, employment, or consulting agreement terminated, or the Participant is constructively dismissed, on or during the 12-month period immediately following a Change of Control, then all of the Participant's unvested Awards are immediately vested and any vested Options remain exercisable until the earlier of ninety (90) days following the termination date and the expiry date of the Option.

## **Change of Control**

In the event of a Change of Control (as described in the Omnibus Plan), the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or Awards to assist the Participants to tender into a take-over bid or participate in any other transaction leading to a Change of Control. For greater certainty, in the event of a take-over bid or any other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to (i) provide that any or all Awards shall thereupon terminate, provided that any such outstanding Awards that have vested shall remain exercisable until consummation of such Change of Control, and (ii) permit Participants to conditionally exercise their vested Options, such conditional exercise to be conditional upon the take-up by such offeror of the Common Shares or other securities tendered to such take-over bid in accordance with the terms of such take-over bid (or the effectiveness of such other transaction leading to a Change of Control).

## **Assignment**

No Award or other benefit payable under the Omnibus Plan shall, except, as otherwise provided by law or specifically approved by the Board, be transferred, sold, assigned, pledged or otherwise disposed in any manner other than by will or law of descent.

## **Amendment**

The Board may suspend or terminate the Omnibus Plan at any time, or from time to time amend or revise the terms of the Omnibus Plan or any granted Award without the consent of the Participants. The Board may make the following types of amendments to the Omnibus Plan without seeking approval of Shareholders:

- (a) any amendment to the vesting provisions, if applicable, or assignability provisions of the Awards;
- (b) any amendment to the expiration date of an Award that does not extend the terms of the Award past the original date of expiration of such Award;
- (c) any amendment regarding the effect of termination of a Participant's employment of engagement;
- (d) any amendment which accelerates the date on which any Option may be exercised under the Omnibus Plan;
- (e) any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body;
- (f) any amendment to clarify the meaning of an existing provision of the Omnibus Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Omnibus Plan, correct any grammatical or typographical errors or amend the definitions in the Omnibus Plan;
- (g) any amendment regarding the administration of the Omnibus Plan; and

- (h) any amendment to add provisions permitting the grant of Awards settled otherwise than with Common Shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with Common Shares issued from treasury, a form of financial assistance or clawback which is adopted.

Shareholder approval is required to make the following amendments:

- (i) an increase in the maximum number of Common Shares of the Company reserved for issuance under the Omnibus Plan;
- (j) any adjustment (other than in connection with a dividend, recapitalization or other transaction where an adjustment is permitted or required) or amendment that reduces or would have the effect of reducing the exercise price of an Option previously granted under the Omnibus Plan (provided that, in such a case, insiders who benefit from such amendment are not eligible to vote their Common Shares in respect of the approval);
- (k) an extension of the term of an outstanding Award beyond the expiry date; and
- (l) any amendment which increased the maximum number of Common Shares that may be issuable to Insiders at any time.

### **TSX Approval**

The TSX Company Manual requires Shareholders approval of security-based compensation arrangements in respect of arrangements that involve the issuance from treasury of potential issuance from treasury of securities of the issuer.

As the Omnibus Plan provides for the potential issuance from treasury of securities of the Company, Shareholders will be asked to vote for or against the following resolution at the Meeting:

**“WHEREAS** the Board of Directors (the **“Board”**) of Marimaca Copper Corp. (the **“Company”**) has approved the adoption of the Omnibus Incentive Plan (the **“Omnibus Plan”**) for the benefit of any employee, officer, director, or consultant of the Company or any affiliate of the Company;

**AND WHEREAS** the maximum number of common shares of the Company (**“Common Shares”**) available for issuance under the Omnibus Plan shall not exceed 10% of the issued and outstanding Shares from time to time less the number of Common Shares reserved for issuance under all other security-based compensation arrangements of the Company;

**AND WHEREAS** the rules of the Toronto Stock Exchange (the **“TSX”**) provide that all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years:

**NOW THEREFORE BE IT RESOLVED** as an ordinary resolution of the Shareholders of the Company that:

1. the Omnibus Plan, as disclosed in the management information circular of the Company dated October 7, 2020, be and hereby approved, ratified and confirmed;

2. the Company has the ability to continue granting awards under the Omnibus Plan until November 18, 2023, which is the date that is three (3) years from the date of the shareholders meeting at which shareholder approval is being sought; and
3. any one director or officer of the Company be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolution”

The Board has determined that the Omnibus Plan is in the best interests of the Company and its Shareholders and recommends that Shareholders vote **IN FAVOUR OF** the foregoing resolution approving the Omnibus Plan.

The resolution regarding the approval of the Omnibus Plan must be passed by the majority of the votes cast by Shareholders present or represented by proxy who are entitled to vote at the Meeting.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Company’s comparative annual financial statements for the year ended December 31, 2019, a copy of which, together with management’s discussion and analysis thereon, can be found on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company’s Corporate Secretary by email at [Irish@greenstoneresources.com](mailto:Irish@greenstoneresources.com).

#### **BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 7th day of October, 2020.

**ON BEHALF OF MARIMACA COPPER CORP.**

*(signed) “Luis A. Tondo”*

Luis A. Tondo,  
Chief Executive Officer



**Appendix A**

**OMNIBUS INCENTIVE PLAN**

**MARIMACA COPPER CORP.  
(THE "CORPORATION")**

**OMNIBUS INCENTIVE PLAN**

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**MARIMACA COPPER CORP.  
OMNIBUS INCENTIVE PLAN**

Marimaca Copper Corp. (the "**Corporation**") hereby establishes an omnibus incentive plan for certain qualified directors, executive officers, employees or Consultants (as defined herein) of the Corporation or any of its Subsidiaries (as defined herein).

**ARTICLE 1  
INTERPRETATION**

**Section 1.1 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:

**"Account"** means an account maintained for each Participant on the books of the Corporation which will be credited with Awards in accordance with the terms of this Plan;

**"affiliates"** has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

**"Associate"**, where used to indicate a relationship with a Participant, means (i) any domestic partner of that Participant and (ii) the spouse of that Participant and that Participant's children, as well as that Participant's relatives and that Participant's spouse's relatives, if they share that Participant's residence;

**"Award"** means any of an Option or RSU granted to a Participant pursuant to the terms of the Plan;

**"Board"** has the meaning ascribed thereto in Section 2.2(1) hereof;

**"Business Day"** means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario for the transaction of banking business;

**"Cashless Exercise Right"** has the meaning ascribed thereto in Section 3.6(3) hereof.

**"Cause"** has the meaning ascribed thereto in Section 5.2(1) hereof;

**"Change of Control"** means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in clause (c) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation's equity incentive plans;
- (b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity

in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;

- (c) the sale, lease, exchange, license or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation or any of its subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its wholly-owned Subsidiaries;
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

**"Consultant"** means a person, other than an employee, executive officer or director of the Corporation or a Subsidiary, that provides ongoing services to the Corporation, and includes for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, or a partnership of which the individual Consultant is an employee or partner;

**"Consulting Agreement"** means, with respect to any Participant, any written consulting agreement between the Corporation or a Subsidiary and such Participant;

**"Corporation"** means Marimaca Copper Corp., a corporation existing under the *British Columbia Business Corporations Act* as amended from time to time;

**"Dividend Equivalent"** means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant's Account;

**"Effective Date"** means the effective date of this Plan;

**"Eligibility Date"** the effective date on which a Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Corporation by the insurance company providing such long-term disability benefits);

**"Eligible Participants"** means any director, executive officer, employee or Consultant of the Corporation or any of its Subsidiaries;

**"Employment Agreement"** means, with respect to any Participant, any written employment agreement between the Corporation or a Subsidiary and such Participant;

**"Exercise Notice"** means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Award, if applicable;

**"Existing Option Plan"** means the Marimaca Copper Corp. Stock Option Plan adopted by the shareholders on June 29, 2010 and last approved by the shareholders on June 27, 2018, including any amendments or supplements thereto made after the effective date thereof;

**"Existing Option"** means an option grant made under the Existing Option Plan;

**"Grant Agreement"** means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, an RSU Agreement, an Employment Agreement or a Consulting Agreement;

**"Insider"** means a "reporting insider" as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* and includes Associates and affiliates (as such term is defined in Part 1 of the TSX Company Manual) of such "reporting insider";

**"Market Value"** means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on the TSX, the closing price of the Shares on the TSX for the Trading Session on the day prior to the relevant time as it relates to an Award; (ii) if the Shares are not listed on the TSX, then as calculated in paragraph (i) by reference to the price on any other stock exchange on which the Shares are listed (if more than one, then using the exchange on which a majority of trading in the Shares occurs); or (iii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons;

**"Notice of Redemption"** means a notice in the form attached as Exhibit D to this Plan that may be delivered by a Participant to the Corporation as specified in Section 5 hereof, pursuant to which the Participant may, subject to the terms of the applicable RSU Agreement, request a redemption of all or a portion of the Participant's vested RSUs during a Restriction Period;

**"Option"** means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof;

**"Option Agreement"** means a written agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, a form of which is attached hereto as Exhibit A;

**"Option Price"** has the meaning ascribed thereto in Section 3.2 hereof;

**"Option Term"** has the meaning ascribed thereto in Section 3.4 hereof;

**"Outstanding Issue"** means the number of Shares that are outstanding as at a specified time, on a non- diluted basis;

**"Participants"** means Eligible Participants that are granted Awards under the Plan;

**"Performance Criteria"** means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award.

**"Performance Period"** means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

**"Person"** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

**"Plan"** means this Marimaca Copper Corp. Omnibus Incentive Plan, including any amendments or supplements hereto made after the effective date hereof;

**"Restriction Period"** means the period determined by the Board pursuant to Section 4.4 hereof;

**"RSU"** or **"Restricted Share Unit"** means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

**"RSU Agreement"** means a written agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof, a form of which is attached hereto as Exhibit C;

**"RSU Cash Equivalent"** means the amount of money equal to the Market Value multiplied by the number of vested RSUs of a Participant that are to be redeemed for cash pursuant to a unilateral election by such Participant in a Notice of Redemption;

**"Shares"** means the common shares in the share capital of the Corporation;

**"Share Compensation Arrangement"** means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares from treasury, including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

**"Stock Exchange"** means the TSX or if the Shares are not listed or posted for trading on any of such stock exchanges at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;

**"Subsidiary"** means a corporation, company or partnership that is controlled, directly or indirectly, by the Corporation;

**"Tax Act"** means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

**"Tax Obligations"** means the aggregate amount of all withholdings, source deductions and similar amounts required under any governing tax law with respect to either (i) the redemption of an RSU, or (ii) the cancellation of an Option pursuant to a Cashless Exercise Right, as the context requires, including amounts funded by the Corporation on behalf of previous withholding tax, source deduction or similar payments and owed by the Participant to the Corporation, as applicable (which Tax Obligations are to be determined by the Corporation in its sole discretion);

**"Termination Date"** means (i) in the event of a Participant's resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Corporation or one of its Subsidiaries and (ii) in the event of the termination of the Participant's employment, or position as director, executive or officer of the Corporation or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Subsidiary, as the case may be;

**"Termination of Service"** means that a Participant has ceased to be an Eligible Participant;



**"Trading Session"** means a trading session on a day which the applicable Stock Exchange is open for trading;

**"TSX"** means the Toronto Stock Exchange;

**"US Tax Code"** means the United States' Internal Revenue Code of 1986, as amended;

**"US Taxpayer"** means a Participant who is a US citizen, US permanent resident or other person who is subject to taxation on their income under the US Tax Code; and

**"Vested Awards"** has the meaning described thereto in Section 5.2(5) hereof.

## **Section 1.2 Interpretation**

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion of the Board.
- (2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (4) The words "including", "includes" and "include" and any derivatives of such words mean "including (or includes or include) without limitation". As used herein, the expressions "Article", "Section" and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (5) Unless otherwise specified in the Participant's Grant Agreement, all references to money amounts are to Canadian currency.
- (6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant's estate or will.
- (7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

### **Section 2.1 Purpose of the Plan**

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;

- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Corporation or a Subsidiary; and
- (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment or service.

## **Section 2.2 Implementation and Administration of the Plan**

- (1) The Plan shall be administered and interpreted by the board of directors of the Corporation (the "**Board**") or, if the Board by resolution so decides, by a committee or plan administrator appointed by the Board. If such committee or plan administrator is appointed for this purpose, all references to the "Board" herein will be deemed references to such committee or plan administrator. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 6 and any applicable rules of a Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Corporation, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Corporation, its Subsidiaries and all Eligible Participants.
- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board or and any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Corporation with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Corporation. For greater clarity, the Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

## **Section 2.3 Participation in this Plan**

- (1) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of an Option or transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Corporation, nor any of its directors, officers, employees,

shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.

- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Corporation or any of its Subsidiaries. No asset of the Corporation or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.
- (3) Unless otherwise determined by the Board, the Corporation shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.

#### **Section 2.4     Shares Subject to the Plan**

- (1) Subject to adjustment pursuant to Article 6 hereof, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (2) The maximum number of Shares reserved for issuance, in the aggregate, under this Plan shall be equal to 10% of the Outstanding Issue, less any Shares underlying Options granted under the Existing Option Plan, Existing RSU Plan or other Share Compensation Arrangement of the Corporation. Any Shares reserved for issue on exercise of Existing Options or Existing RSUs shall, upon expiry or forfeiture without exercise of such Existing Options or Existing RSUs, be available for issuance under this Plan. For the purposes of calculating the number of Shares reserved for issuance under this Plan, each Share subject to a RSU shall be counted as reserving one Share under the Plan, and each Share subject to an Option shall be counted as reserving one Share under the Plan. The Plan is considered to be an "evergreen" plan as Shares of the Corporation covered by Awards which have been exercised or settled, as applicable, will be available for subsequent grant under the Plan and the number of Awards that may be granted under the Plan increases if the total number of issued and outstanding Shares of the Corporation increases.
- (3) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.
- (4) No new grants of Options will be made under the Existing Option Plan and no new grants of RSUs will be made under the Existing RSU Plan.
- (5) If an outstanding Award (or portion thereof) expires or is forfeited, surrendered, cancelled or otherwise terminated for any reason without having been exercised or settled in full, or if Shares acquired pursuant to an Award subject to forfeiture are forfeited, the Shares covered by such Award, if any, will again be available for issuance under the Plan. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

## **Section 2.5 Limits with Respect to Insiders, Individual Limits, Annual Grant Limits**

- (1) The maximum number of the Corporation's securities issuable to Insiders, at any time under the Plan, or when combined with all of the Corporation's other Share Compensation Arrangement, cannot exceed ten percent (10%) of the Corporation's total issued and outstanding securities.
- (2) The maximum number of the Corporation's securities issued to Insiders, within any one-year period, under the Plan, or when combined with all of the Corporation's other Share Compensation Arrangement, cannot exceed ten percent (10%) of the Corporation's total issued and outstanding securities.
- (3) Any Award granted pursuant to the Plan, or securities issued under the Existing Option Plan, Existing RSU Plan and any other Share Compensation Arrangement, prior to a Participant becoming an Insider, shall be excluded from the purposes of the limits set out in Section 2.5(1) and Section 2.5(2).

## **Section 2.6 Granting of Awards**

Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

## **ARTICLE 3 OPTIONS**

### **Section 3.1 Nature of Options**

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

### **Section 3.2 Option Awards**

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the "**Option Price**") and the relevant vesting provisions (including Performance Criteria, if applicable) and the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of a Stock Exchange.

### **Section 3.3 Option Price**

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

### Section 3.4 Option Term

The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten (10) years from the date the Option is granted ("**Option Term**"). Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.

### Section 3.5 Exercise of Options

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with the Corporation's insider trading policy. The Corporation shall not issue any Shares to a Participant prior to the Corporation being satisfied in its sole discretion that all applicable taxes under Section 7.2 will be timely withheld or received and remitted to the appropriate taxation authorities in respect of any particular Participant and any particular Option.

### Section 3.6 Method of Exercise and Payment of Purchase Price

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice, a form of which is attached hereto as Exhibit B, to the Corporation at its registered office to the attention of the Corporate Secretary of the Corporation (or the individual that the Corporate Secretary of the Corporation may from time to time designate) or give notice in such other manner as the Corporation may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of Shares specified therein and, if required by Section 7.2, the amount necessary to satisfy any taxes.
- (2) Upon the exercise, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares either to:
  - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.
- (3) The Board may, in its discretion and at any time, determine to grant a Participant the alternative (the "**Cashless Exercise Right**"), when entitled to exercise an Option, to deal with such Option on a "cashless exercise" basis, on such terms as the Board may determine in its discretion. Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grant a Participant the right to terminate such Option in whole or in part by notice in writing to the

Corporation and in lieu of receiving Shares pursuant to the exercise of the Option, receive, that number of Shares, disregarding fractions, which is equal to the quotient obtained by:

- (a) subtracting the applicable Option exercise price per Share from the Market Value per Share on the business day immediately prior to the exercise of the Cashless Exercise Right and multiplying the remainder by the number of Option Shares;
- (b) subtracting from the amount obtained under Section 3.6(3)(a) that amount of Tax Obligations applicable to the Option Shares; and
- (c) dividing the net amount obtained under subsection 3.6(3)(b) by the Market Value per Share on the business day immediately prior to the exercise of the Cashless Exercise Right.

### **Section 3.7 Option Agreements**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement 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.

## **ARTICLE 4 RESTRICTED SHARE UNITS**

### **Section 4.1 Nature of RSUs**

An RSU is an Award in the nature of a bonus for services rendered, or for future services to be rendered, and that, upon settlement, entitles the recipient Participant to acquire Shares pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria.

### **Section 4.2 RSU Awards**

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions, vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs, and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each RSU awarded to a Participant shall entitle the Participant to receive on settlement one Share. For greater certainty, the Corporation is obligated to deliver one Share on the settlement of each RSU and shall have no independent discretion to settle an RSU in cash or other property other than Shares (subject only to an election by a Participant in accordance with Section 4.5(3), below).

### **Section 4.3 RSU Agreements**

- (1) The grant of an RSU by the Board shall be evidenced by an RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. Such RSU Agreement shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back

compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board, on the recommendation of the Committee, deems appropriate for inclusion in an RSU Agreement. The provisions of the various RSU Agreements issued under this Plan need not be identical.

- (2) The RSU Agreement shall contain such terms that the Corporation considers necessary in order that the RSU will comply with any provisions respecting restricted share units 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 4.4 Vesting and Restriction Period**

- (1) The Board shall have sole discretion to determine if any Performance Criteria and/or other vesting conditions with respect to an RSU, and as contained in the RSU Agreement governing such RSU, have been met and shall communicate to a Participant as soon as reasonably practicable when any such applicable Performance Criteria has been satisfied.
- (2) The Board shall determine, and shall evidence in the applicable RSU Agreement, the period during which a vested RSU may be redeemed by either the Corporation or the Participant, and may determine the maximum period, during which any vested RSU may remain outstanding prior to settlement (the "**Restriction Period**").

#### **Section 4.5 Redemption / Settlement of RSUs**

- (1) Subject to the terms of the applicable RSU Agreement (including confirmation satisfaction of any Performance Criteria, which shall be at the sole discretion of the Corporation), vested RSUs may be redeemed by a Participant, in whole or in part, at any time on or prior to the end of the Restriction Period, upon delivery of a Notice of Redemption to the Corporation in the form attached hereto as Exhibit D. The Notice of Redemption shall specify the date upon which such vested RSUs shall be redeemed, which date shall be no later than the end of the Restriction Period (the "**Redemption Date**").
- (2) Upon receipt by the Corporation of a Notice of Redemption, the Corporation shall redeem the RSUs on the Redemption Date and shall satisfy the redemption, as soon as reasonably practicable, by issuing from treasury one Share for each full RSU to be redeemed (subject to the satisfaction of any applicable withholding tax under Section 7.2.). For greater certainty, the Corporation shall not issue any Shares to a Participant in satisfaction of the redemption of an RSU prior to the Corporation being satisfied in its sole discretion that all applicable taxes under Section 7.2 will be timely withheld or received and remitted to the appropriate taxation authorities in respect of any particular Participant and any particular RSU.
- (3) Notwithstanding Section 4.5(2), the Participant will have, at its sole discretion, the ability to elect in its Notice of Redemption to redeem such portion (and only such portion) of its vested RSUs on the Redemption Date for a cash amount equal to the Tax Obligations associated with aggregate number of RSUs to be redeemed (the "**RSU Cash Equivalent**") in lieu of receiving Shares for such RSUs. For greater certainty, the Corporation will have no discretion to satisfy the redemption of any RSUs for the RSU Cash Equivalent in the absence of a unilateral election by the Participant in its Notice of Redemption.
- (4) Notwithstanding Sections 4.5(1) to (3), the Corporation shall be entitled to redeem any vested RSUs on or prior to the end of the Restriction Period and to establish the applicable Redemption Date, subject to the terms of any applicable RSU Agreement. Subject to the terms of the applicable RSU Agreement, if the Corporation proposes to redeem a Participant's vested RSUs, it shall first provide notice to the Participant at least five (5) days prior to the proposed redemption indicating the proposed Redemption Date, during which time the Participant will be entitled to exercise its

rights in Section 4.5(1) to complete and deliver to the Corporation a Notice of Redemption in respect of such RSUs (provided that the Participant will not be entitled to select in such Notice of Redemption a Redemption Date that is different from the Redemption Date otherwise specified by the Corporation). If the Participant does not deliver a Notice of Redemption to the Corporation prior to the proposed Redemption Date, the Corporation shall redeem such RSUs on the Redemption Date and deliver the applicable number of Shares to the Participant as soon as reasonably practicable, subject to the satisfaction of any applicable withholding tax under Section 7.2.

(5) Settlement of RSUs shall take place through:

- (a) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive, subject to satisfaction of any applicable withholding tax under Section 7.2;
- (b) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive, subject to satisfaction of any applicable withholding tax under Section 7.2, to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares; and
- (c) where a Participant has elected in a Notice of Redemption to settle a portion of its RSUs for the RSU Cash Equivalent, the Participant shall be deemed to have instructed the Corporation to withhold and remit such RSU Cash Equivalent to the applicable taxation authorities on account of any withholding obligations of the Corporation pursuant to Section 7.2 and the Corporation shall deliver any excess cash after making the necessary remittances as soon as reasonable practicable.

**Section 4.6 Determination of Amounts**

- (1) For purposes of determining any RSU Cash Equivalent, such calculation will be made on the Redemption Date based on the Market Value on such date multiplied by the number of vested RSUs in the Participant's Account that the Participant has elected in a Notice of Redemption to be settled in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 4.5, such calculation will be made on the Redemption Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account less any RSUs that a Participant has elected in a Notice of Redemption to be settled in the RSU Cash Equivalent.

**Section 4.7 Award of Dividend Equivalents**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional RSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of RSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share and the denominator of which is the Market Value of one Share calculated on the date that dividends are paid. Any additional RSUs credited to a Participant's Account as a Dividend Equivalent shall be subject to the



same terms and conditions (including vesting and Restriction Periods) as the RSUs in respect of which such additional RSUs are credited.

In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Corporation's account.

## **ARTICLE 5 GENERAL CONDITIONS**

### **Section 5.1 General Conditions Applicable to Awards**

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. The Board has the right to accelerate the date upon which any Award becomes exercisable notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Corporation or a Subsidiary to the Participant of employment or another service relationship with the Corporation or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Corporation or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (5) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferrable Awards.** Except as specifically provided in a Grant Agreement approved by the Board, each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by

will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

- (7) **Participant's Entitlement.** Except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Corporation ceasing to be a Subsidiary of the Corporation, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Corporation and not of the Corporation itself, whether or not then exercisable, shall automatically terminate on the date of such change.

## **Section 5.2 General Conditions Applicable to Options**

Each Option shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for Cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's codes of conduct and any other reason determined by the Corporation to be cause for termination.
- (2) **Termination not for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Corporation or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within the earlier of ninety (90) days after the Termination Date, or the expiry date of the Award set forth in the Grant Agreement, after which the Option will expire.
- (3) **Resignation.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Corporation or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation and (ii) each vested Option granted to such Participant will cease to be exercisable on the earlier of ninety (90) days following the Termination Date and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (4) **Permanent Disability/Retirement.** Upon a Participant ceasing to be an Eligible Participant by reason of retirement or permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the ninety (90) days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Corporation or any Subsidiary by reason of permanent disability, and the expiry date of the Award set forth in the Grant Agreement, after which the Option will expire.
- (5) **Death.** Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options (the "**Vested Awards**") on the date of such Participant's death. Such Vested Awards shall only be exercisable within six (6) months after the Participant's death or prior to the expiration of the original term of the Options whichever occurs earlier.

- (6) **Leave of Absence.** Upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, the Board may determine, at its sole discretion but subject to applicable laws, that such Participant's participation in the Plan shall be terminated, provided that all vested Options in the Participant's Account shall remain outstanding and in effect until the applicable exercise date, or an earlier date determined by the Board at its sole discretion.

### **Section 5.3 General Conditions Applicable to RSUs**

Each RSU shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Corporation or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all RSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such Participant's unvested RSUs shall be forfeited and cancelled on the Termination Date.
- (2) **Death, Leave of Absence or Termination of Service.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, or upon a Participant ceasing to be Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination of Service for reasons other than for Cause, (iv) his or her employment or service relationship with the Corporation or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain outstanding and in effect pursuant to the terms of the applicable RSU Agreement, and
- (a) If the Board determines that the vesting conditions are not met for such RSUs, then all unvested RSUs credited to such Participant's Account shall be forfeited and cancelled and the Participant's rights that relate to such unvested RSUs shall be forfeited and cancelled; and
- (b) If the Board determines that the vesting conditions are met for such RSUs, the Participant shall be entitled to receive pursuant to Section 4.5 that number of Shares equal to the number of RSUs outstanding in the Participant's Account in respect of such Restriction Period multiplied by a fraction, the numerator of which shall be the number of completed months of service of the Participant with the Corporation or a Subsidiary during the applicable Restriction Period as of the date of the Participant's death, retirement, termination or Eligibility Date and the denominator of which shall be equal to the total number of months included in the applicable Restriction Period (which calculation shall be made as of the date that the applicable RSUs are to be settled) and the Corporation shall (i) issue such number of Shares to the Participant or the liquidator, executor or administrator, as the case may be, of the estate of the Participant, as soon as practicable thereafter, but no later than the end of the Restriction Period, and (ii) debit the corresponding number of RSUs from the Account of such Participant's or such deceased Participants', as the case may be, and the Participant's rights to all other Shares that relate to such Participant's RSUs shall be forfeited and cancelled. The terms of Section 4.5 shall apply insofar as the Participant or the liquidator, executor or administrator, as the case may be, of the estate of the Participant shall be reasonably entitled to complete a Notice of Redemption and elect an RSU Cash Equivalent prior to the redemption of vested RSUs by the Corporation pursuant to this Section 5.3(2)(b).

- (3) **General.** For greater certainty, where (i) a Participant's employment or service relationship with the Corporation or a Subsidiary is terminated pursuant to Section 5.3(1) or Section 5.3(2) hereof or (ii) a Participant elects for a voluntary leave of absence pursuant to Section 5.3(2) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

## **ARTICLE 6 ADJUSTMENTS AND AMENDMENTS**

### **Section 6.1     Adjustment to Shares Subject to Outstanding Awards**

At any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award or the forfeiture or cancellation of such Award, in the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Corporation with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Corporation, of cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award; or
- (c) adjustments to the number of kind of Shares reserved for issuance pursuant to the Plan.

### **Section 6.2     Change of Control**

- (1) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or participating in any other transaction leading to a Change of Control. For greater certainty, in the event of a take-over bid or any other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to (i) provide that any or all Awards shall thereupon terminate, provided that any such outstanding Awards that have vested shall remain exercisable until consummation of such Change of Control, and (ii) permit Participants to conditionally exercise their vested Options, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of such take-over bid (or the effectiveness of such other transaction leading to a Change of Control). If, however, the potential Change of Control referred to in this Section 6.2 is not completed within the time specified therein (as the same may be extended), then notwithstanding this Section 6.2 or the definition of "Change of Control": (i) any conditional exercise of vested Options shall be deemed to be null, void and of no effect, and such conditionally exercised Awards shall for all purposes be deemed not to have been exercised, (ii) Shares which were issued pursuant to exercise of Options which vested pursuant to this Section 6.2 shall be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares, and (iii) the original terms applicable to Awards which vested pursuant to this Section 6.2 shall be reinstated.

- (2) If the Corporation completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control a Participant who was also an officer or employee of, or Consultant to, the Corporation prior to the Change of Control has their position, employment or consulting agreement terminated, or the Participant is constructively dismissed, then all unvested Awards shall immediately vest and become exercisable, and remain open for exercise until the earlier of their expiry date set out in the Award Agreement and for certainty in the case of Options, the date that is 90 days after such termination or dismissal.

### **Section 6.3 Amendment or Discontinuance of the Plan**

- (1) The Board may suspend or terminate the Plan at any time, or from time to time amend or revise the terms of the Plan or any granted Award without the consent of the Participants provided that such suspension, termination, amendment or revision shall:
- (a) not adversely alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
  - (b) be in compliance with applicable law and with the prior approval, if required, of the shareholders of the Corporation, the TSX, or any other regulatory body having authority over the Corporation; and
  - (c) be subject to shareholder approval, where required by law or the requirements of the TSX provided that the Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Corporation make the following amendments to this Plan:
    - (i) any amendment to the vesting provision, if applicable, or assignability provisions of the Awards;
    - (ii) any amendment to the expiration date of an Award that does not extend the terms of the Award past the original date of expiration of such Award;
    - (iii) any amendment regarding the effect of termination of a Participant's employment or engagement;
    - (iv) any amendment which accelerates the date on which any Option may be exercised under the Plan;
    - (v) any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body;
    - (vi) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
    - (vii) any amendment regarding the administration of the Plan;
    - (viii) any amendment to add provisions permitting the grant of Awards settled otherwise than with Shares issued from treasury, or adopt a clawback provision applicable to equity compensation; and
    - (ix) any other amendment that does not require the approval of the shareholders of the Corporation under Section 6.3(2).

- (2) Notwithstanding Section 6.3(1), the Board shall be required to obtain shareholder approval to make the following amendments:
- (a) any increase to the maximum number of Shares issuable under the Plan, except in the event of an adjustment pursuant to Article 6;
  - (b) except in the case of an adjustment pursuant to Article 6, any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price;
  - (c) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date or Restriction Period;
  - (d) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 6; and
  - (e) and
  - (f) any amendment to the definition of an Eligible Participant under the Plan;

provided that Shares held directly or indirectly by Insiders benefiting from the amendments shall be excluded when obtaining such shareholder approval.

## **ARTICLE 7 MISCELLANEOUS**

### **Section 7.1 Use of an Administrative Agent and Trustee**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

### **Section 7.2 Tax Withholding**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Corporation determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Corporation determines, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Corporation as appropriate.
- (2) Notwithstanding Section 7.2(1), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

### **Section 7.3 Clawback**

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Corporation pursuant to any such law, government regulation or stock exchange listing requirement) or any policy adopted by the Corporation. Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Corporation, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Corporation applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Corporation of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards, including any related policy adopted by the Corporation. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Corporation nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 7.3.

### **Section 7.4 Securities Law Compliance**

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option, and the Corporation's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (3) The Corporation shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.
- (4) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

### **Section 7.5 Reorganization of the Corporation**

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or

consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **Section 7.6 Quotation of Shares**

So long as the Shares are listed on one or more Stock Exchanges, the Corporation must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

#### **Section 7.7 No Fractional Shares**

No fractional Shares shall be issued upon the exercise of any Option granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of such Option, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

#### **Section 7.8 Governing Laws**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

#### **Section 7.9 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 7.10 Section 409A of the Tax Code**

It is intended that any payments under the Plan to US Taxpayers shall be exempt from or comply with Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes and penalties under Section 409A of the Code.



**EXHIBIT A**  
**TO OMNIBUS INCENTIVE PLAN OF MARIMACA COPPER CORP.**

**FORM OF OPTION AGREEMENT**

This Option Agreement is entered into between Marimaca Copper Corp. (the "**Company**") and the Participant named below, pursuant to the Company's Omnibus Incentive Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that on:

1. \_\_\_\_\_ (the "**Grant Date**"),
2. \_\_\_\_\_ (the "**Participant**")
3. was granted \_\_\_\_\_ options ("**Options**") to purchase common shares of the Company, in accordance with the terms of the Plan, which Options will bear the following terms:
  - (a) Exercise Price and Expiry. Subject to the vesting conditions specified below, the Options will be exercisable by the Participant at a price of \$[●] per common share (the "**Option Price**") at any time prior to expiry on [●] (the "**Expiration Date**").
  - (b) Vesting; Time of Exercise. Subject to the terms of the Plan, the Options shall vest and become exercisable as follows:

Number of Options	Vested On
_____	_____
_____	_____
_____	_____

If the number of common shares vesting in a tranche set forth above covers a fractional common share, such fractional common share will be rounded down to the nearest whole number of common shares. Notwithstanding anything to the contrary herein, the Options shall expire on the Expiration Date set forth above and must be exercised, if at all, on or before the Expiration Date. Options are denominated in Canadian dollars (C\$).

4. The Options shall be exercisable only by delivery to the Company of a duly completed and executed notice in the form attached to this Option Agreement (the "**Exercise Notice**"), together with payment of the Option Price for each common share covered by the Exercise Notice (including an amount equal to any applicable Tax Obligations) and/or, if applicable, a notice that the Participant intends to terminate the Options in lieu of exercise, pursuant to the Participant's Cashless Exercise Right as set out in the Plan.
5. Subject to the terms of the Plan, unless otherwise specified in the Exercise Notice, the Options shall be deemed to be: (i) exercised upon receipt by the Company of such written Exercise Notice accompanied by the exercise price (including an amount equal to any applicable Tax Obligations), or (ii) termination upon election by the Participant in lieu of exercise, pursuant to the Participant's Cashless Exercise Right.
6. The Participant hereby represents and warrants (on the date of this Option Agreement and upon each exercise or termination of Options) that:

- (a) the Participant has not received any offering memorandum, or any other documents (other than annual financial statements, interim financial statements or any other document the content of which is prescribed by statute or regulation, other than an offering memorandum) describing the business and affairs of the Company that has been prepared for delivery to, and review by, a prospective purchaser in order to assist it in making an investment decision in respect of the common shares;
- (b) the Participant is acquiring the common shares without the requirement for the delivery of a prospectus or offering memorandum, pursuant to an exemption under applicable securities legislation and, as a consequence, is restricted from relying upon the civil remedies otherwise available under applicable securities legislation and may not receive information that would otherwise be required to be provided to it;
- (c) the Participant has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Company and does not desire to utilize a registrant in connection with evaluating such merits and risks;
- (d) the Participant acknowledges that an investment in the common shares involves a high degree of risk, and represents that it understands the economic risks of such investment and is able to bear the economic risks of this investment;
- (e) the Participant acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the exercise (or termination upon exercise of the Cashless Exercise Right) of any Options, as provided in Section 7.2 of the Plan;
- (f) this Option Agreement constitutes a legal, valid and binding obligation of the Participant, enforceable against him in accordance with its terms; and
- (g) the execution and delivery of this Option Agreement and the performance of the obligations of the Participant hereunder will not result in the creation or imposition of any lien, charge or encumbrance upon the common shares.

The Participant acknowledges that the Company is relying upon such representations and warranties in granting the Options and issuing any common shares upon exercise thereof.

- 7. The Participant's delivery of the signed Exercise Notice to exercise the Options (in whole or in part) shall be accompanied by full payment of the exercise price for the Shares being purchased (including an amount equal to the Tax Obligations) and/or a notice that the Participant intends to terminate the Options in lieu of exercise, pursuant to the Participant's Cashless Exercise Right as set out in the Plan. Payment for the Shares may be made by certified cheque or wire transfer in readily available funds.
- 8. The Participant acknowledges and represents that: (a) the Participant fully understands and agrees to be bound by the terms and provisions of this Option Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this Option Agreement, and (c) hereby accepts these Options subject to all of the terms and provisions hereof and of the Plan. To the extent of any inconsistency between the terms of this Option Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this Option Agreement and the Plan, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement.
- 9. This Option Agreement and the terms of the Plan incorporated herein (with the Exercise Notice, if the Option is exercised) constitutes the entire agreement of the Company and the Participant (collectively the "**Parties**") with respect to the Options and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Parties. This Option Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of Ontario. Should any provision of

this Option Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

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

**[Remainder of page left intentionally blank]**

**IN WITNESS WHEREOF** the Company and the Participant have executed this Option Agreement as of \_\_\_\_\_, 20\_\_.

**MARIMACA COPPER CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

If the Participant is an individual:

EXECUTED by [●] in the presence of:	)	
	)	
_____	)	
Signature	)	
	)	
_____	)	
Print Name	)	[NAME OF PARTICIPANT]
	)	
_____	)	
Address	)	
	)	
_____	)	
Occupation	)	

If the Participant is not an individual:

[NAME OF PARTICIPANT]

Per: \_\_\_\_\_  
Authorized Signatory

**Note to Plan Participants**

This Agreement must be signed where indicated and returned to the Company within 30 days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your Options.

**EXHIBIT B**  
**TO OMNIBUS INCENTIVE PLAN OF MARIMCAC COPPER CORP.**

**FORM OF EXERCISE NOTICE**

**TO: MARIMACA COPPER CORP.**

This Exercise Notice is made in reference to stock options ("**Options**") granted under the Omnibus Incentive Plan (the "**Plan**") of Marimaca Copper Corp. (the "**Company**"). All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

The undersigned (the "**Participant**") holds Options under the Plan to purchase [●] common shares of the Company at a price per common share of \$[●] (the "**Option Price**") pursuant to the terms and conditions set out in that certain option agreement between the Participant and the Company dated [●] (the "**Option Agreement**"). All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

The Participant hereby:

<input type="checkbox"/>	<p>irrevocably gives notice of the exercise of ____ Options held by the Participant pursuant to the Option Agreement at the Option Price per common share for an aggregate exercise price of \$_____ (the "<b>Aggregate Option Price</b>") on the terms specified in the Option Agreement and encloses herewith a certified cheque payable to the Company or evidence of wire transfer to the Company in full satisfaction of the Aggregate Option Price.</p> <p>The Participant acknowledges that, in addition to the Aggregate Option Price, the Company will require that the Participant also provide to the Company a certified cheque or evidence of wire transfer equal to the amount of any Tax Obligations associated with the exercise of such Options before the Company will issue any common shares to the Participant in settlement of the Options. The Company shall have the sole discretion to determine the amount of any such Tax Obligations and shall inform the Participant of this amount as soon as reasonably practicable upon receipt of this completed Exercise Notice.</p>
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- or -

<input type="checkbox"/>	<p>irrevocably gives notice of the Participant's exercise of the Cashless Exercise Right with respect to ____ Options held by the Participant pursuant to the Option Agreement, and agrees to receive that number of common shares of the Company equal to the following:</p> <p style="text-align: center;"><b><u><math>((A - B) \times C) - D</math></u></b></p> <p style="text-align: center;"><b>A</b></p> <p>where <b>A</b> is the Market Value per common share on the date prior to the date of this Exercise Notice, <b>B</b> is the Option Price, <b>C</b> is the number of Options being exercised in this Exercise Notice, and <b>D</b> is the amount of Tax Obligations applicable to the Options terminated at the election of the Participant pursuant to this Exercise Notice.</p> <p>For greater certainty, where a Participant elects to exercise his/her Cashless Exercise Right, the amount of any Tax Obligation determined pursuant to the above formula will be deemed to have been paid in cash by the Company to the Participant as partial consideration for the termination of the Options, which cash will be withheld by the Company and remitted to the applicable taxation authorities as may be required.</p>
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**Registration:**

The common shares issued pursuant to this Exercise Notice are to be registered in the name of the undersigned and are to be delivered, as directed below:

Name:

---

Address:

---

---

Date

---

Name of Participant

---

Date

---

Signature of Participant or Authorized Signatory

**EXHIBIT C**  
**TO OMNIBUS INCENTIVE PLAN OF MARIMACA COPPER CORP.**

**FORM OF RSU AGREEMENT**

This RSU Agreement is entered into between Marimaca Copper Corp. (the "**Company**") and the Participant (as defined herein) named below, pursuant to the Company's Omnibus Incentive Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that on:

1. \_\_\_\_\_ (the "**Grant Date**"),
2. \_\_\_\_\_ (the "**Participant**")
3. was granted \_\_\_\_\_ Restricted Share Units ("**RSUs**"), in accordance with the terms of the Plan, which RSUs will vest as follows:

<b>Number of RSUs</b>	<b>Vested On</b>
_____	_____
_____	_____
_____	_____

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

4. The performance period for this grant of RSUs commences on the Grant Date and ends at the close of business on [●] (the "**Performance Period**"). The restriction period for this grant of RSUs commences on the Grant Date and ends at the close of business on [●] (the "**Restriction Period**").
5. By signing this agreement, the Participant:
  - (a) acknowledges that he or she has read and understands the Plan, agrees with the terms and conditions thereof which shall be deemed to be incorporated into and form part of this RSU Agreement (subject to any specific variations contained in this RSU Agreement);
  - (b) acknowledges that, subject to the vesting and other conditions and provisions in this RSU Agreement, each RSU awarded to the Participant shall entitle the Participant to receive on settlement one common share of the Company. For greater certainty, the Company is obligated to deliver one common share of the Company on the settlement of each RSU and shall have no independent discretion to settle an RSU in cash or other property other than common shares, unless and until the Participant makes an election for an RSU Cash Equivalent in an applicable Notice of Redemption;
  - (c) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the exercise of any RSU, as provided in Section 7.2 of the Plan;
  - (d) agrees that an RSU does not carry any voting rights;
  - (e) acknowledges that the value of the RSUs granted herein are denominated in Canadian dollars (C\$), and such value is not guaranteed;

- (f) recognizes that, at the sole discretion of the Company, the Plan can be administered by a designee of the Company by virtue of Section 2.2 of the Plan and any communication from or to the designee shall be deemed to be from or to the Company.
6. RSUs granted pursuant to this RSU Grant Agreement that have vested in accordance with the schedule above may be redeemed by the Participant, in whole or in part, at any time on or prior to the end of the Restriction Period set out above, upon delivery of a Notice of Redemption to the Company in the form attached hereto. The Notice of Redemption shall specify the date upon which such vested RSUs shall be redeemed, which date shall be no later than the end of the Restriction Period.
7. The Participant acknowledges and represents that: (a) the Participant fully understands and agrees to be bound by the terms and provisions of this RSU Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this RSU Agreement, and (c) hereby accepts these RSUs subject to all of the terms and provisions hereof and of the Plan. To the extent of any inconsistency between the terms of this RSU Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this RSU Agreement and the Plan, has had an opportunity to obtain the advice of counsel prior to executing this RSU Agreement.
8. This RSU Agreement and the terms of the Plan incorporated herein (with the Notice of Redemption, if the RSUs vest and are redeemed) constitutes the entire agreement of the Company and the Participant (collectively the "**Parties**") with respect to the RSUs and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Parties. This RSU Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of Ontario. Should any provision of this RSU Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

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

**[Remainder of page left intentionally blank]**



**IN WITNESS WHEREOF** the Company and the Participant have executed this RSU Agreement as of \_\_\_\_\_, 20\_\_.

**MARIMACA COPPER CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

If the Participant is an individual:

EXECUTED by [●] in the presence of:	)	
_____	)	
Signature	)	
_____	)	
Print Name	)	[NAME OF PARTICIPANT]
_____	)	
Address	)	
_____	)	
_____	)	
Occupation	)	

If the Participant is not an individual:

**[NAME OF PARTICIPANT]**

Per: \_\_\_\_\_  
Authorized Signatory

**Note to Plan Participants**

This Agreement must be signed where indicated and returned to the Company within 30 days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your RSUs.

**EXHIBIT D**  
*TO OMNIBUS INCENTIVE PLAN OF MARIMACA COPPER CORP.*

**FORM OF NOTICE OF REDEMPTION**

**TO: MARIMACA COPPER CORP.**

This Notice of Redemption is made in reference to RSUs granted under the Omnibus Incentive Plan (the "**Plan**") of Marimaca Copper Corp. All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

**Participant Information:**

Name: \_\_\_\_\_

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

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

**RSU Information:**

Date of Grant: \_\_\_\_\_

# of RSUs to be redeemed: \_\_\_\_\_

Participant elects to redeem relevant  
number of RSUs for cash to settle Tax  
Obligations [indicate "Yes" or "No"] \_\_\_\_\_

**Registration:**

The common shares issued in settlement of the vested RSUs, if any, are to be registered in the name of the undersigned and are to be delivered, as directed below:

Name: \_\_\_\_\_

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

**Acknowledgment:**

1. This Notice of Redemption is subject to the terms and conditions of the Plan.
2. RSUs redeemed for cash to settle Tax Obligations pursuant to this Notice of Redemption will be priced at the Market Value.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Participant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Participant or Authorized Signatory

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