

# NEVADA COPPER

**NEVADA COPPER CORP.**  
Suite 598, 999 Canada Place  
Vancouver, British Columbia  
Canada V6C 3E1

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

**Notice is hereby given** that the Annual and Special Meeting of shareholders (the “Meeting”) of Nevada Copper Corp. (the “Corporation”) will be held at the offices of Nevada Copper Corp. located at Suite 598, 999 Canada Place, Vancouver, British Columbia, on Wednesday, June 24, 2020, at 10:00 a.m. (Vancouver time), for the following purposes:

1. To receive the consolidated financial statements of the Corporation for the financial year ended December 31, 2019, together with the Auditor’s Report thereon;
2. To fix the number of directors for the ensuing year at nine;
3. To elect nine directors to serve until the next annual general meeting of shareholders or until their successors are elected or appointed;
4. To appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditor of the Corporation and to authorize the directors to fix their remuneration;
5. To consider, and, if thought fit, to pass an ordinary resolution in the form contained in the accompanying Information Circular approving the amendments to the Corporation’s Stock Option Plan as outlined in the accompanying Information Circular;
6. To consider, and, if thought fit, to pass an ordinary resolution in the form contained in the accompanying Information Circular approving all unallocated options under the Corporation’s Stock Option Plan, as described in the accompanying Information Circular; and
7. To transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this Notice of Meeting are an Information Circular, Form of Proxy (or a voting instruction form if you hold common shares through a broker or other intermediary) and a Financial Statement Request Form. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice of Meeting.

The Board of Directors has fixed May 14, 2020 as the record date for determining the shareholders who are entitled to vote at the Meeting.

If you are a registered shareholder of the Corporation and are unable to attend the Meeting in person please complete, date and execute the accompanying form of proxy and deposit it with our transfer agent Computershare, (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in

10:00 am, Vancouver time, on June 22, 2020 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting.

If you are a non-registered shareholder of the Corporation and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your shares on your behalf (the “Intermediary”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

**DATED** at Vancouver, British Columbia as of the 22<sup>nd</sup> day of May, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

“*Stephen Gill*” (signed)

**Stephen Gill**  
**Non-Executive Chairman**

**NEVADA COPPER CORP.**  
**598 – 999 Canada Place**  
**Vancouver, B.C. V6C 3E1**  
**INFORMATION CIRCULAR**  
as at May 22, 2020 (unless otherwise noted)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Nevada Copper Corp. (the “Corporation”) for use at the annual and special meeting (the “Meeting”) of its shareholders to be held on June 24, 2020 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.**

In this Information Circular, references to: “the Corporation”, “we” and “our” refer to Nevada Copper Corp.; “Common Shares” means common shares in the capital of the Corporation; “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name; and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. All dollar amounts in this Information Circular are expressed in Canadian dollars unless otherwise indicated.

**MANAGEMENT SOLICITATION AND APPOINTMENT OF PROXIES**

The persons named in the accompanying form of proxy are officers and/or directors of the Corporation. **A shareholder of the Corporation (a “Shareholder”) entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act for and on behalf of the Shareholder at the Meeting other than the persons designated as proxyholders in the accompanying form of proxy. To exercise this right, the Shareholder must either:**

- (a) on the accompanying form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the Shareholder’s nominee in the blank space provided; or**
- (b) complete another proper form of proxy.**

To be valid, a form of proxy must be dated and signed by the Shareholder or by the Shareholder’s attorney authorized in writing. In the case of a corporation, the form of proxy must be signed by a duly authorized officer of or attorney for the corporation.

The completed form of proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to Computershare Investor Services Inc. (“Computershare”) by mail, fax or email no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment(s) or postponement(s) thereof.

**REVOCAION OF PROXIES**

A Shareholder who has given a proxy may revoke it at any time before the proxy is exercised:

- (a) by an instrument in writing that is:**
  - (i) signed by the Shareholder, the Shareholder’s attorney authorized in writing or, where the Shareholder is a corporation, a duly authorized officer or attorney of the corporation; and**
  - (ii) delivered to Computershare by mail. Proxv Department. 100 Universitv Avenue. 8<sup>th</sup>**

Outside North America: 1-416-263-9524, or email: caregistryinfo@computershare.com, no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment(s) or postponement(s) thereof; or

- (b) in any other manner provided by law.

## **VOTING OF COMMON SHARES AND PROXIES AND EXERCISE OF DISCRETION BY PROXYHOLDERS**

### ***Voting By Show of Hands***

Voting at the Meeting generally will be by a show of hands, with each Shareholder or proxyholder present in person being entitled to one vote.

### ***Voting By Poll***

Voting at the Meeting will be by poll only if a poll is:

- (a) requested by a Shareholder present at the Meeting in person or by proxy;
- (b) directed by the Chairperson; or
- (c) required by law.

On a poll, each Shareholder and each proxyholder will have one vote for each Common Share held or represented by proxy.

### ***Approval of Resolutions***

To approve a motion for an ordinary resolution, a simple majority of the votes cast in person or by proxy will be required; to approve a motion for a special resolution, a majority of not less than two-thirds of the votes cast in person or by proxy will be required. Unless otherwise stated, a simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees may be declared elected or appointed by acclamation.

### ***Exercise of Discretion by Proxyholders***

A Shareholder may indicate the manner in which the persons named in the accompanying form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the form of proxy are certain, the Common Shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions given in the form of proxy.**

**If the Shareholder specifies a choice in the form of proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the form of proxy with respect to a matter to be acted upon, the form of proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying form of proxy. It is intended that the proxyholder named by management in the accompanying form of proxy will vote the Common Shares represented by the form of proxy in favour of each matter identified in the form of proxy and for the nominees of the Corporation's board of directors (the "Board") for directors or auditor**

The accompanying form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Corporation is not aware of any such amendments or variations, or any other matters, that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment.

### **SOLICITATION OF PROXIES**

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by directors, officers and employees of the Corporation without special compensation. The Corporation may reimburse Shareholders' nominees or agents (including brokers holding Common Shares on behalf of clients) for the costs incurred in obtaining authorization to execute forms of proxy from their principals. The costs of solicitation will be borne by the Corporation.

### **VOTING BY NON-REGISTERED (BENEFICIAL) SHAREHOLDERS**

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

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

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

#### ***If you are a Beneficial Shareholder:***

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy or voting instruction form ("VIF") supplied to you by your broker will be similar to the proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Corporation. The VIF will name the same persons as the Corporation's proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder of the Corporation), other than the persons designated in the VIF, to represent you at the Meeting. To exercise this right you should insert the name of the desired representative in the

or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting. Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend the Meeting and vote your Common Shares.

These proxy-related materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). The Corporation has decided to take advantage of those provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, NOBOs can expect to receive a scannable VIF from the Corporation's Transfer Agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided, by facsimile or by email. In addition, Computershare provides both telephone and internet voting as described on the VIF itself which contains complete instructions. Please return your voting instructions as specified in the request for voting instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

The Corporation will not pay for intermediaries to deliver the proxy-related materials to Objecting Beneficial Owners, and Objecting Beneficial Owners will not receive the proxy-related materials unless the intermediary assumes the cost of delivery.

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

The Board has fixed May 14, 2020 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of May 14, 2020, there were 819,735,897 Common Shares without par value issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Corporation, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at May 14, 2020 are:

Shareholder Name	Number of Common Shares Held <sup>(1)</sup>	Percentage of Issued Common Shares
Pala Investments Limited	332,179,447	40.5%
Castlelake, L.P.	136,632,313	16.7%

Note:

<sup>(1)</sup> The above information was supplied to the Corporation by the above Shareholders and from the insider reports available at [www.sedi.ca](http://www.sedi.ca) and [www.sedar.com](http://www.sedar.com).

## PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2019, together with the report of the auditors thereon, will be placed before the Meeting. A copy of these financial statements, the accompanying auditors report and the corresponding management's discussion and analysis may be obtained by a Shareholder upon request without charge from the Corporation at Suite 598, 999 Canada Place, Vancouver, British Columbia, V6C 3E1. These documents are also available through the Internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

## ELECTION OF DIRECTORS

The Board is currently comprised of nine directors. Shareholders will therefore be asked to approve an ordinary resolution that the number of directors to be elected be fixed at nine.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected at the Meeting will hold office until the conclusion of the next annual meeting of Shareholders, or if no director is then elected, until a successor is elected.

The directors of the Corporation for the ensuing year will be elected at this Meeting.

### **Majority Voting Policy**

On November 5, 2013, the Board adopted a majority voting policy in order to promote enhanced director accountability. The policy provides that voting in respect of each director nominee will be conducted on an individual nominee basis. The policy also provides that each director should be elected by the vote of a majority of the Common Shares, represented in person or by proxy, at any meeting for the election of directors. The Board will ensure that the number of Common Shares voted "for" or "withheld" for each director nominee is recorded and promptly made public after the meeting. If any nominee for election as director receives, from the Common Shares voted at the meeting in person or by proxy, a greater number of

resignation to the Board following the Meeting, to take effect upon acceptance by the Board. The Governance and Nomination Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept that offer. Within 90 days of the Meeting, the Board will make a final decision concerning the acceptance of the director's resignation and, absent exceptional circumstances, will accept the resignation and announce that decision by way of a press release. Any director who tenders his or her resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation.

This policy does not apply to a contested election of directors, that is, where the number of nominees exceeds the number of directors to be elected. If any director fails to tender his or her resignation as contemplated in the policy, the Board will not re-nominate that director in the future. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of Shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the Shareholders, or call a special meeting of Shareholders to elect a new nominee to fill the vacant position.

### **Nominees**

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each nominee now holds, each nominee's principal occupation, business or employment for the five preceding years, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each nominee, directly or indirectly, or over which each nominee exercised control or direction, as at May 14, 2020:

<b>Name, Current Position with the Corporation, Province or State and Country of Residence</b>	<b>Principal Occupation During the Past Five Years<sup>(1)</sup></b>	<b>Period as a Director of the Corporation</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Tom Albanese <sup>(3)(4)(11)</sup> Lead Director New Jersey, USA	Currently a Director of Franco-Nevada Corporation, a gold royalty and streaming company, since 2013; currently an Advisory Board member of Esan Mining, an industrial mineral and metallic mineral producer, since 2019; Chief Executive Officer and a Director of Vedanta Resources plc and Vedanta Limited, a natural resource company from 2014 to 2017; Chief Executive Officer of Rio Tinto plc, a metals and mining corporation from 2007 to 2013.	Since May 4, 2018; Appointed Lead Director August 13, 2018	2,450,000
Michael Brown <sup>(4)</sup> Director Paarl, South Africa	Currently Managing Partner for Palaris in the Africa Region, a mining consulting company, since October 1, 2017; Managing Director Technical of Pala Investments Limited, an investment company focused on the mining sector from 2015 to 2017	Since August 8, 2013	500,000
Justin Cochrane <sup>(2)</sup> Director Ontario, Canada	Currently Director, President and CEO of Conic Metals Corp. ("Conic Metals"); President & Chief Operating Officer of Cobalt 27 Capital Corp. from March 2017 to October 2019; Director Duke Royalty from Dec. 2015 to March 2020; Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd. from Jan. 2011 to Dec. 2015.	Since May 4, 2018	100,000



Name, Current Position with the Corporation, Province or State and Country of Residence	Principal Occupation During the Past Five Years <sup>(1)</sup>	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
Phillip Day <sup>(4)(6)</sup> Director Zug, Switzerland	Currently Senior Vice President, Technical and Operations Team at Pala Investments Limited, an investment company focused on the mining sector, since May 2014. Chief Operating Officer of the Corporation from November 2017 to March 28, 2019.	Since March 28, 2019	Nil <sup>(6)</sup>
Ricardo De Armas <sup>(7)</sup> Director Minnesota, USA	Currently Director, Global Special Situations of Castlake, LP, a global private investment firm, since May 2016; Vice President of De Jong Capital, an investment company from February 2015 to May 2016.	Since March 1, 2020	Nil <sup>(7)</sup>
Raffaele (Lucio) Genovese <sup>(2)(5)(8)(10)</sup> Director Zug, Switzerland	Currently Chief Executive Officer of NAGE Capital Management, an investment and advisory company specialising in the natural resources sector, since 2004.	Since May 27, 2016	Nil
Stephen Gill <sup>(3)(6)</sup> Non-Executive Chairman and Director Zug, Switzerland	Currently Managing Partner at Pala Investments Limited, an investment company focused on the mining sector, since January 2016 and Portfolio Manager from January 2009 to January 2016.	Since January 28, 2016	265,500 <sup>(6)</sup>
Evgenij Iorich <sup>(5)(6)</sup> Director Zug, Switzerland	Currently Managing Partner and Director at Pala Investments Limited, an investment company focused on the mining sector, since January 2016 and Portfolio Manager from January 2009 to January 2016; Director of Itafos, a phosphate fertilizers and specialty products company.	Since January 28, 2016	500,000 <sup>(6)</sup>
G. Ernest "Ernie" Nutter <sup>(2)(3)(4)(5)(9)</sup> Director Ontario, Canada	Director; Retired: former mining analyst at Capital Group from 2004 until his retirement in 2017.	Since May 4, 2018	1,500,000

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years, unless noted otherwise.
- (2) Member, Audit Committee
- (3) Member, Compensation Committee
- (4) Member, Health, Safety, Environment and Technical Committee
- (5) Member, Governance and Nomination Committee
- (6) Pala Investments Limited holds 332,179,447 Common Shares in the Corporation which represents 40.5% of the Common Shares issued and outstanding. Mr. Gill is Managing Partner of Pala Investments Limited, Mr. Iorich is Managing Partner of Pala Investments Limited and Mr. Day is Senior Vice President, Technical and Operations Team at Pala Investments Limited. See "*Voting Securities and Principal Holders of Voting Securities*"
- (7) Castlake L.P. holds 136,632,313 Common Shares in the Corporation which represents 16.7% of the Common Shares issued and outstanding. Mr. De Armas is Director, Global Special Situations of Castlake L.P. See "*Voting Securities and Principal Holders of Voting Securities*"
- (8) Chair, Audit Committee
- (9) Chair, Compensation Committee
- (10) Chair, Governance and Nomination Committee
- (11) Chair, Health, Safety, Environment and Technical Committee

Shareholders can vote for all of the proposed nominees for directors of the Corporation, vote for some of the proposed nominees and withhold for others, or withhold for all of the proposed nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Corporation**

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

No proposed director of the Corporation is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

- (a) was subject to a cease trade order, an order similar to a cease trade 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, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade 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, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Corporation:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On October 17, 2017, the U.S. Securities and Exchange Commission (the “SEC”) filed civil charges against each of Rio Tinto plc, Tom Albanese and the former Chief Financial Officer of Rio Tinto plc, alleging, among other things, violations of the anti-fraud, reporting, books and records and internal control provisions of U.S. federal securities laws in connection with conduct at Rio Tinto plc and certain of its subsidiaries while Mr. Albanese was the Chief Executive Officer of Rio Tinto plc. On March 2, 2018, the Australian Securities and Investments Commission (“ASIC”) commenced proceedings in the Federal Court of Australia against each of Rio Tinto Limited, Tom Albanese and the former Chief Financial Officer of Rio Tinto Limited relating to statements which ASIC alleges were misleading contained in the annual report of Rio Tinto Limited for 2011. On May 1, 2018, ASIC expanded the proceedings commenced on March 2, 2018 in the Federal Court of Australia. The expanded proceedings relate to Rio Tinto Limited’s alleged failure to recognize an impairment of a wholly-owned subsidiary, Rio Tinto Coal Mozambique in its 2012 Interim Financial Statements. The Corporation is aware of the SEC and ASIC allegations and will continue to monitor the progress of the situation.

## COMPENSATION OF EXECUTIVE OFFICERS

### Compensation Discussion and Analysis

In this section, “Named Executive Officer” or “NEO” means:

- (a) the Corporation’s chief executive officer (“CEO”);
- (b) the Corporation’s chief financial officer (“CFO”);
- (c) each of the Corporation’s, including any of its subsidiaries’, three most highly compensated executive officers, 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 a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Mr. Matthew Gili, former President and CEO, Mr. Abraham (“Braam”) Jonker, CFO, Mr. Mark Wall, Chief Commercial Officer, Mr. David Swisher, former Senior VP Operations and Mr. Robert McKnight, former EVP, Concentrate Sales and Logistics were the only “Named Executive Officers” of the Corporation during the financial year ended December 31, 2019 for the purposes of the following disclosure. Messrs. Gili, Swisher and McKnight are no longer employed by the Corporation. Mr. Gili’s last day of employment was May 8, 2020, Mr. Swisher’s last day of employment was March 31, 2020 and Mr. McKnight’s last day of employment was April 17, 2020.

The Compensation Committee (the “Committee”) of the Board is composed of Mr. Tom Albanese, Mr. Stephen Gill, and Mr. Ernie Nutter. Messrs. Albanese and Nutter are independent within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”) and all three directors have direct experience in dealing with compensation matters.

Mr. Nutter is a highly regarded mining analyst, formerly with one of the world’s largest money managers, Capital Group, from 2004 until his retirement in 2017. Prior to this, he spent over 13 years with the Royal Bank of Canada (“RBC”) where he was Managing Director of RBC Capital Markets, Director of RBC’s Global Mining Research team and former Chairman of RBC Dominion Securities’ (now RBC Capital Markets) Strategic Planning Committee. Mr. Nutter holds a Bachelor of Science degree in Geology from Dalhousie University.

Mr. Albanese is currently a Director of Franco-Nevada Corporation. He was previously Chief Executive Officer and a Director of Vedanta Resources plc and Vedanta Limited from 2014 to 2017. Mr. Albanese was Chief Executive Officer of Rio Tinto plc from 2007 to 2013, and previously served on the Boards of Palabora Mining Company and Turquoise Hill Resources Limited. Mr. Albanese holds a Master of Science degree in Mining Engineering and a Bachelor of Science degree in Mineral Economics both from the University of Alaska Fairbanks.

Mr. Gill holds an MBA from the IE Business School in Madrid. He also holds an MSc from the University of North Carolina and a BSc from the University of Wales. Mr. Gill is a Managing Partner at Pala Investments Limited (“Pala”). Mr. Gill has been at Pala since 2008, during which time he has been involved in many of Pala’s principal investments covering a range of commodities, as well mining services and consumables sectors. Mr. Gill has also supported many of Pala’s investee companies in defining and implementing strategic initiatives. He is also involved in the oversight of Pala’s liquid investment strategies portfolio. Prior to joining Pala, Mr. Gill was at AMEC Plc., an engineering consulting firm, where he advised on a range of natural resources transactions and acted as an advisor across a range of private equity transactions, including

manufacturing industries. Mr. Gill has acted as a director on a number of private and public mining company boards.

The Board is of the view that the members of the Committee collectively have the knowledge, skills, experience and background to make decisions on the suitability of the Corporation's compensation policies and practices.

The function of the Committee generally is to assist the Board in carrying out its responsibilities relating to executive and director compensation. In this regard, the Committee makes recommendations to the Board with respect to the compensation (including salary, bonus and equity-based incentives) and benefits of the CEO and other executive officers of the Corporation; reviews and approves the terms of the employment agreements of the CEO and other executive officers of the Corporation and researches and identifies trends in employment benefits and compensation structures and reports its findings to the Board. The Committee also reviews periodically the compensation of the directors for service on the Board and Board committees and makes recommendations to the Board in respect of same.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the executives of the Corporation, although the Committee guides it in this role.

The Board is responsible, in participation with management, for reviewing and identifying what are perceived to be the principal risks to the Corporation. These risks include, but are not limited to, those arising from the Corporation's compensation policies and practices, such as the risk that an executive officer or other employee is incentivized to take inappropriate or excessive risks, or that such policies and practices give rise to any other risks that are reasonably likely to have a material adverse effect on the Corporation. The Board undertakes this review with management on at least an annual basis and ensures that the Committee adequately considers risks arising from the Corporation's compensation policies and practices when determining its recommendations to the Board regarding the compensation of executive officers. The Corporation uses the following practices to discourage or mitigate inappropriate or excessive risk-taking by directors and executive officers:

- the structure of incentive compensation is designed not to focus on a single metric, which in the Corporation's view could be distortive, but instead a combination of both corporate and personal objectives;
- the Corporation has an appropriate compensation mix, including fixed and performance-based compensation with short and longer term performance conditions and multiple forms of compensation; and
- the Board has discretion in assessing the annual incentive awards paid to executive officers of the Corporation based on both individual and corporate performance.

No risks have been identified as arising from the Corporation's compensation policies and practices which are considered reasonably likely to have a material adverse effect on the Corporation.

In order to further mitigate the potential for NEOs and directors taking inappropriate or excessive risks relating to compensation, the Board has passed a resolution which prohibits directors and NEOs from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities of the Corporation granted as compensation held, directly or indirectly, by a director or NEOs.

As at December 31, 2019, Messrs. Gili, Jonker, Wall, Swisher and McKnight worked on the Corporation's activities on a full-time basis.

### Compensation Consultant

In early 2018, the Committee retained Hugessen Consulting (“Hugessen”) to assist the Committee in a review of the Corporation’s board compensation framework following the successful completion of the Corporation’s debt refinancing and recapitalization that was completed on January 19, 2018. In late 2018, the Committee retained Hugessen to assist with the development of a compensation strategy for the Corporation’s employees, executive officers and directors. Hugessen provided a review of current market practices regarding executive and director compensation and assisted the Committee in developing an appropriate comparator group of companies and a compensation philosophy that reflects the Corporation’s current size and stage of development. Hugessen has also provided advice and recommendations with respect to best practices in the governance of compensation. In the course of conducting its activities, Hugessen attended meetings of the Committee and presented its findings for discussion by the Committee. The Chairman of the Committee has also met separately with Hugessen on several occasions to provide further direction.

The report prepared by Hugessen in regard to compensation benchmarked the compensation competitiveness against a peer group of mining companies at similar stages of development as the Corporation. For purposes of the overall compensation strategy which was finalized in February 2019, Hugessen used the Global Base Metals Index as the market benchmark.

The Committee considered the advice, guidance and recommendations provided by Hugessen as part of its deliberations on its recommendations to the Board with respect to salary, annual performance incentives and long-term equity incentives.

In 2019, the Committee retained Hugessen to assist the Committee in setting incentive compensation for work performed for the year ended December 31, 2019. The compensation was finalized and granted in April 2020.

For the financial years ended December 31, 2018 and 2019, \$48,953 and \$13,086 were billed respectively and paid to Hugessen.

The Committee must pre-approve any retainers of Hugessen or other compensation consultants and provide notice of said retainers to the Board. There were no other consultants hired or contracted to assist the Board, the Committee or the Corporation in formulating executive compensation in 2018 or 2019.

### Philosophy and Objectives

The compensation program for the executive officers of the Corporation is designed to ensure that the level and form of compensation achieves certain objectives, including:

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

In compensating its executive officers, the Corporation has employed a combination of base salary, short-term and long-term incentives through participation in its Performance Share Unit and Restricted Share Unit plan (the “PSU/RSU Plan”), along with equity participation through its Stock

### Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Corporation operates is a first step to attracting and retaining talented, qualified and effective executives. Determinations of salary are based on the reports prepared by compensation consultants as described above.

### Bonus Incentive Compensation

The payment of bonus incentive compensation is reviewed by the Committee and recommendations are put forth to the Board for their review and discretion. Generally, the Board will consider the payment of executive bonus compensation dependent upon the performance of the individual executive, the performance of the Corporation, sufficient cash resources being available for the granting of bonuses and, where applicable, the executive meeting the strategic objectives and milestones established by the Committee and Board. Such key performance indicators include, but are not limited to, the following: the completion of feasibility studies, reserve or resource additions, construction and engineering milestones, budget achievement, identifying corporate development initiatives, improving corporate liquidity, and the Corporation's share price. No cash bonuses were paid for the year ended December 31, 2019, rather restricted share units under the PSU/RSU Plan were granted on April 10, 2020 in lieu of an annual bonus for the year. See "*Executive Compensation – Summary Compensation Table*".

### Equity Participation

The Board believes that encouraging the Corporation's executives and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Option Plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Senior management and the Committee put forth their recommendations for stock option grants to the Board. The amounts and terms of stock options granted are determined by the Board.

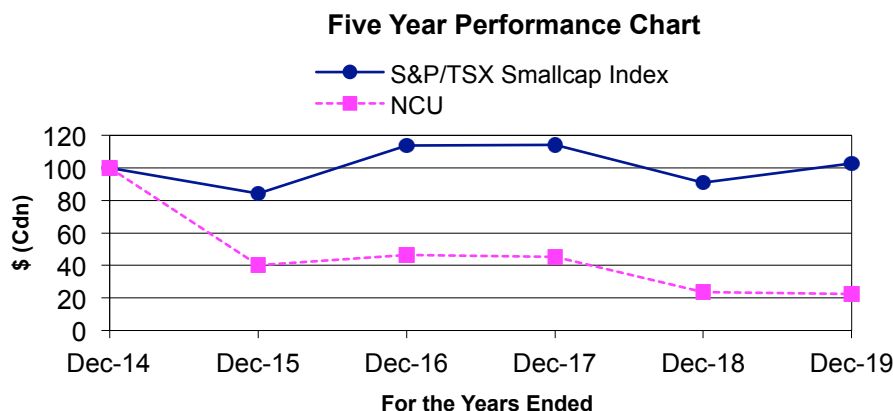
### Actions, Decisions or Policies Made After December 31, 2019

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

Subsequent to December 31, 2019, the Corporation revised its Option Plan to align it with Toronto Stock Exchange ("TSX") Rules and best governance practices. See "*Share-Based and Option-Based Awards*" for further details.

### **Performance Graph**

The following five-year performance graph compares the total cumulative shareholder return for \$100 invested in Common Shares of the Corporation on December 31, 2014, with the cumulative total return of the S&P/TSX Small Cap Total Return Index for the financial years ended December 31, 2015 to December 31, 2019. The Common Share price performance as set out in the graph does not necessarily indicate future price performance.



The performance graph shows a [general](#) correlation between the performance of the Corporation’s Common Shares and the performance of the S&P/TSX Small Cap Index for the years 2015 through 2019. No salaries were increased and no cash bonuses were paid to NEOs for the years 2015 through 2019, with the exception of the consumer price index-related increase in 2019.

### Share-Based and Option-Based Awards

The Corporation has in place a deferred share unit plan (the “DSU Plan”) for non-executive directors. Executive officers do not participate in the DSU Plan. The DSU Plan originally provided that deferred share units (“DSUs”) could only be settled in cash. The Board determined that it was in the best interests of the Corporation to also provide the ability to settle DSUs by the issuance of Common Shares from treasury, and effective April 6, 2018, the DSU Plan was amended to provide for such issuances. Shareholder approval was received on May 4, 2018 for the amended DSU Plan. DSUs can now be settled as follows: (i) a lump sum cash payment equal to the fair market value of a Common Share on the settlement date multiplied by the number of DSUs being settled; (ii) one Common Share issued from treasury for each DSU being settled; or (iii) a combination of a cash payment and the issuance of Common Shares from treasury on the aforementioned bases; and such allocation of cash and Common Shares is determined at the Board’s sole discretion.

The Corporation has in place a cash-settled-only deferred compensation unit plan for employees. Non-executive directors do not participate in the deferred compensation plan (see “*NEO – Outstanding Share-based Awards and Option-based Awards*” for further details).

The Corporation also has in place the Option Plan, which was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation, thereby encouraging their continuing association with the Corporation. Management and the Committee propose stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The Option Plan is administered by Board and provides that options may be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. See below for proposed amendments to the Option Plan.

In February 2019, the Corporation established the PSU/RSU Plan that allows employees to receive short term and long-term incentive plan compensation in the form of performance share units (“PSUs”) and restricted share units (“RSUs”). PSUs and RSUs issued under the PSU/RSU Plan entitle the holder to a cash payment at the end of a thirty-two to thirty-six month period equal to the number of RSUs or PSUs granted, adjusted for a performance factor in the case of PSUs, and multiplied by the quoted market value of a Common Share. The Corporation may grant RSUs to participants in lieu of cash bonuses under its annual incentive plan. If dividends are paid on the Common Shares, additional RSUs or PSUs, as applicable, will be credited to the participants holding RSUs and PSUs on the dividend record date.





Former Executive Vice President and CFO; Former EVP, Concentrate Sales and Logistics <sup>(4)</sup>	2018	252,500	139,506 <sup>(20)</sup>	369,597	Nil	Nil	Nil	200,000 <sup>(17)</sup>	961,603
	2017	252,500	97,527 <sup>(11)</sup>	Nil	Nil	Nil	Nil	Nil	350,027
David Swisher <sup>(10)</sup> Former Senior VP Operations	2019	365,196 <sup>(18)</sup>	146,224	Nil	Nil	Nil	Nil	Nil	511,420
	2018	242,944 <sup>(19)</sup>	134,227	418,696	Nil	Nil	Nil	Nil	795,867
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) For the market value of the unexercised options as at the year ended December 31, 2019, please refer to the Option-Based Awards table below.
- (2) Mr. Gili was appointed President and CEO of the Corporation on May 1, 2018. Mr. Gili's employment with the Corporation ceased on May 8, 2020.
- (3) Mr. Jonker was appointed Interim CEO of the Corporation on February 15, 2018 until May 1, 2018. Mr. Jonker continued as a consultant until his appointment as CFO on October 1, 2018. Mr. Jonker ceased to serve as a director of the Corporation on September 30, 2018.
- (4) Mr. McKnight resigned as CFO of the Corporation on September 30, 2018 and continued with the Corporation as Executive Vice President, Concentrate Sales and Logistics. Mr. McKnight's employment with the Corporation ceased on April 17, 2020.
- (5) The salary for Mr. Gili for the year ended December 31, 2019 was US\$408,000. The US average exchange rate for the year used was \$1.3269.
- (6) The salary for Mr. Gili for the year ended December 31, 2018 was US\$226,667. The US average exchange rate for the year used was \$1.2957.
- (7) The 2018 salary for Mr. Jonker was comprised of \$80,309 awarded as Interim CEO and \$102,430 awarded as CFO. Other compensation of \$163,009 was awarded to him as a consultant.
- (8) The salary for Mr. Wall for the year ended December 31, 2019 was \$12,487 and US\$306,806. The US average exchange rate for the year used was \$1.3269.
- (9) Mr. Wall commenced employment with the Corporation on October 1, 2018.
- (10) Mr. Swisher's employment with the Corporation ceased on March 31, 2020.
- (11) Deferred compensation units were granted to Mr. McKnight on March 31, 2017. Deferred compensation units are settled in cash only, not shares. The amounts shown are the balance vested during that year. (See "Outstanding Share-based Awards and Option-based Awards" for further details).
- (12) DSUs were granted to Mr. Jonker in his capacity as a non-executive director in 2017. The DSUs vest immediately and do not expire but are paid out upon a director's resignation from the Board. The fair value of the DSUs was calculated by multiplying the number of DSUs granted by the closing price of the Common Shares on the TSX on the date of grant (see "Outstanding Share-based Awards and Option-based Awards" for further details).
- (13) The fair value of stock options at February 26, 2019 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk-free interest rate of 1.77% in 2019, no expected dividend yield, stock price volatility of 66.7% and expected life of five years. The weighted average fair value of options granted was \$0.25.
- (14) The fair value of stock options at Feb 13, 2018 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk-free interest rate of 1.51% in 2018, no expected dividend yield, stock price volatility of 69.1% and expected life of three years. The weighted average fair value of options granted was \$0.30. The fair value of stock options at May 16, 2018 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk-free interest rate of 2.34% in 2018, no expected dividend yield, stock price volatility of 65.3% and expected life of five years. The weighted average fair value of options granted was \$0.39.
- (15) RSUs were granted on April 10, 2020 in lieu of an annual bonus for 2019. The RSUs were valued based on the fair market value of \$0.16 per RSU representing a five-day volume weighted average price of the Common Shares on the TSX on the date of grant. The US average exchange rate for the year used was \$1.3269.
- (16) RSUs were granted on February 22, 2019 in lieu of an annual bonus for 2018. The RSUs were valued based on the fair market value of \$0.44 per RSU representing a five-day volume weighted average price of the Common Shares on the TSX on the date of grant. The US average exchange rate for the year used was \$1.2957.
- (17) Other compensation of \$200,000 was paid to Mr. McKnight due to his accepting the new position with the Corporation.
- (18) The salary for Mr. Swisher for the year ended December 31, 2019 was US\$275,225. The US average exchange rate for the year used was \$1.3269.
- (19) The salary for Mr. Swisher for the year ended December 31, 2018 was US\$187,500. The US average exchange rate for the year used was \$1.2957.
- (20) The amounts disclosed in the Corporation's 2019 Information Circular for Share Based Awards in respect of 2018 were incorrect and have been corrected here.

### Outstanding Share-based Awards and Option-based Awards

In 2015, as part of the Corporation's cost cutting initiatives, employees of the Corporation agreed to a reduction in salary. In order to retain the employees and provide them with the opportunity to participate in the long-term success of the Corporation, the Board adopted a cash-settled-only deferred compensation unit plan on November 10, 2015 (the "DCU Plan"). The DCU Plan is administered by the Committee and provides that the Board may designate, from time to time at its sole discretion, the employees of the Corporation who are entitled to participate in the DCU Plan (the "Participants"). The deferred compensation units issued to a Participant under the DCU Plan (each, a "DCU") vest on the date of settlement and are paid out in a lump sum cash payment to the Participant on the settlement date in an amount equal to the trading price of the Common Shares on the TSX for the day immediately preceding the payout date. If dividends are paid on the Common Shares, additional DCUs will be automatically granted in accordance with the DCU Plan to each

Participant in respect of the DCU Plan are not transferable or assignable, other than by will or the laws of succession. In the case of an adjustment to the issued Common Shares, the Corporation will make an adjustment to the number of DCUs or the kind of securities that are subject to the issued DCUs.

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2019, for each NEO:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(4)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(5)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Matthew Gili <sup>(1)</sup> Former President and CEO	1,945,000	0.69	May 16, 2023	Nil	182,110 RSUs	67,380	Nil
	3,648,700	0.44	February 26, 2024	Nil	1,195,096 PSUs	442,185	Nil
Braam Jonker CFO	1,556,000	0.69	May 16, 2023	Nil	94,925 RSUs	35,122	Nil
	1,871,926	0.44	February 26, 2024	Nil	608,645 PSUs	225,199	Nil
Mark Wall CCO	1,081,000	0.67	December 12, 2023	Nil	38,719 RSUs	14,326	Nil
	1,518,635	0.44	February 26, 2024	Nil	608,645 PSUs	225,199	Nil
Robert McKnight <sup>(2)</sup> Former Executive Vice President and CFO; Former EVP, Concentrate Sales and Logistics	831,000	0.69	May 16, 2023	Nil	513,320 RSUs	189,928	Nil
	160,000	0.80	February 13, 2021	Nil	196,261 PSUs	72,616	Nil
	125,000	0.69	August 10, 2021	Nil			
	550,000	0.69	November 9, 2021	Nil			
David Swisher <sup>(3)</sup> Former Senior VP Operations	1,081,000	0.69	May 16, 2023	Nil	566,380 RSUs	209,560	Nil
					256,092 PSUs	94,754	Nil

Notes:

<sup>(1)</sup> Mr. Gili's employment with the Corporation ceased on May 8, 2020.

<sup>(2)</sup> Mr. McKnight's employment with the Corporation ceased on April 17, 2020.

<sup>(3)</sup> Mr. Swisher's employment with the Corporation ceased on March 31, 2020.

<sup>(4)</sup> In-the-money options are those where the market value of the underlying securities as at the most recent financial year end exceeds the option exercise price. The closing market price of the Common Shares on the TSX as at December 31, 2019 was \$0.365.

<sup>(5)</sup> The value of the NEOs' RSUs was determined by multiplying the number RSUs that have not vested by the market price of a common share on the TSX on December 31, 2019, which was \$0.365. The value of the NEOs' PSUs was determined by multiplying the number PSUs that have not vested by the market price of a common share on the TSX on December 31, 2019, which was \$0.365, and assuming a performance factor of 1x (target level performance).

#### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested or earned under incentive plans during the financial year ended December 31, 2019, for each NEO:

Name	Option-based awards – Value vested during the year <sup>(4)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Matthew Gili <sup>(1)</sup> Former President and CEO	251,115	Nil	Nil
Braam Jonker CFO	200,892	Nil	Nil
Mark Wall CCO	52,091	Nil	Nil
Robert McKnight <sup>(2)</sup> Former Executive Vice President and CFO; Former EVP, Concentrate Sales and Logistics	131,154	Nil	Nil
David Swisher <sup>(3)</sup> Former Senior VP Operations	139,566	Nil	Nil

Notes:

(1) Mr. Gili's employment with the Corporation ceased on May 8, 2020.

(2) Mr. McKnight's employment with the Corporation ceased on April 17, 2020.

(3) Mr. Swisher's employment with the Corporation ceased on March 31, 2020.

(4) 1,945,000 options granted on May 16, 2018 to Mr. Gili are subject to a vesting schedule. 1,556,000 options granted on May 16, 2018 to Mr. Jonker are subject to a vesting schedule. 1,081,000 options granted on December 12, 2018 to Mr. Wall are subject to a vesting schedule. 160,000 options granted on February 13, 2018 and 831,000 options granted on May 16, 2018 to Mr. McKnight are subject to a vesting schedule. 1,081,000 options granted on May 16, 2018 to Mr. Swisher are subject to a vesting schedule. The value vested in the year ended December 31, 2019 is shown in this table, which represents the aggregate dollar value that would have been realized if the options had been exercised on their applicable vesting date and is equal to the difference between the closing market price of the Common Shares underlying the options on the TSX on the vesting date and the exercise price of the options.

See “*Securities Authorized Under Equity Compensation Plans*” for further information on the Option Plan.

### Termination and Change of Control Benefits

On October 16, 2019, the Board approved a Termination without Cause Policy (the “Termination Policy”) and Change of Control Severance Plans (collectively, the “Plans”), which provide for more consistent treatment among executives, including the NEOs, upon certain termination events.

Pursuant to the Termination Policy, each NEO (other than Mr. McKnight) is entitled to the same entitlements as described below in connection with a change of control, except that the base salary plus short-term incentive (“STIP”) multiplier will be 1x (100%) for Mr. Gili and 0.75x (75%) for the other three NEOs.

Pursuant to the Termination Policy, in the event that Mr. McKnight's employment was terminated by the Corporation on a without cause basis, he would have received (i) his accrued or earned but unpaid compensation and benefits (including unpaid base salary, vacation pay and bonus), (ii) a lump sum payment equal to (a) 0.5x (50%) of Mr. McKnight's base salary, plus (b) the average of the annual bonus under the STIP paid or payable to Mr. McKnight in respect of the last three completed fiscal years immediately preceding the termination date, or if he was designated a participant in the STIP for less than three completed fiscal years, the target annual performance incentive that would have been payable to Mr. McKnight by or on behalf of the Corporation in respect of the fiscal year in which the termination date occurred (on an annualized basis); and (iii) continued health coverage until the earlier of (x) six months from the termination date, or (y) the date upon which Mr. McKnight and/or his eligible dependents obtain alternate coverage under similar benefits plans. Any outstanding equity awards held by Mr. McKnight, including stock options, RSUs and PSUs, would be governed by the terms of the applicable plan and grant agreement.

four months of a change of control of the Corporation, the NEO will receive (i) his accrued or earned but unpaid compensation and benefits (including unpaid base salary, vacation pay and bonus); (ii) a lump sum payment equal to (a) for Mr. McKnight, 1x (100%), and for the other NEOs, 1.5x (150%), of base salary, plus (b) for Mr. McKnight, 1x (100%), and for the other NEOs, 1.5x (150%), of the average of the annual bonus under the STIP paid or payable to the NEO in respect of the last three completed fiscal years immediately preceding the change of control, or if the NEO has been designated a participant under the STIP for less than three completed fiscal years, the target annual performance incentive that would have been payable to the NEO by or on behalf of the Corporation in respect of the fiscal year in which the change of control occurs (on an annualized basis); and (iii) continued health coverage until the earlier of (x) twelve months from the termination date, or (y) the date upon which the NEO and/or his eligible dependents obtain alternate coverage under similar benefits plans. Any outstanding equity awards held by the NEO, including stock options, RSUs and PSUs, will be governed by the terms of the applicable plan and grant agreement.

The estimated incremental payments from the Corporation to each NEO on: (i) a termination without cause; or (ii) a change of control followed within twenty-four months by a termination without cause or resignation with good reason, in each case assuming the triggering event occurred on December 31, 2019, are as follows:

NEO		Termination Without Cause	Change of Control
Matthew Gili <sup>(1)</sup> Former President and CEO	Salary	\$541,375	\$1,082,750
	Bonus	\$433,100	\$866,200
	Benefits	Nil	Nil
Braam Jonker CFO	Salary	\$314,674	\$629,349
	Bonus	\$188,805	\$377,609
	Benefits	Nil	Nil
Mark Wall CCO	Salary	\$314,674	\$629,349
	Bonus	\$188,805	\$377,609
	Benefits	Nil	Nil
Robert McKnight <sup>(2)</sup> Former Executive Vice President and CFO; Former EVP, Concentrate Sales and Logistics	Salary	\$128,775	\$257,550
	Bonus	\$64,387	\$128,775
	Benefits	Nil	Nil
David Swisher <sup>(3)</sup> Former Senior VP Operations	Salary	\$288,601	\$577,202
	Bonus	\$173,161	\$765,889
	Benefits	Nil	Nil

Any outstanding equity awards held by the NEOs, including stock options, RSUs and PSUs, would be governed by the terms of the applicable plan and grant agreement.

Notes:

- (1) Mr. Gili's employment with the Corporation ceased on May 8, 2020.  
(2) Mr. McKnight's employment with the Corporation ceased on April 17, 2020.  
(3) Mr. Swisher's employment with the Corporation ceased on March 31, 2020.

## Director Compensation

Non-executive directors are paid US\$50,000 per year, the lead independent director is paid US\$70,000 per year, and the non-executive chairman is paid US\$75,000 per year. Directors are paid additional amounts for their roles on the committees. The audit committee chairman is paid US\$12,500 per year and the audit committee members are paid US\$10,000 per year. The governance and nomination committee chair is paid US\$10,000 per year and the governance and nomination committee members are paid US\$8,000 per year. The compensation committee chair is paid US\$10,000 per year and the compensation committee members are paid US\$8,000 per year. The health, safety, environment and technical committee chair is paid

US\$10,000 per year. Executive officers do not receive additional compensation for serving as directors. As of July 1, 2015, the directors agreed to receive DSUs from the Corporation in lieu of cash payment of directors' fees commencing July 1, 2015 through June 30, 2017 pursuant to the terms of the DSU Plan (see "Outstanding Share-based Awards and Option-based Awards" for further details).

The following table discloses the compensation provided to the directors, other than directors who are NEOs, for the Corporation's financial year ended December 31, 2019:

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards <sup>(2)(11)(13)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Tom Albanese	146,622 <sup>(3)</sup>	Nil	227,534	Nil	Nil	Nil	374,156
Michael Brown	79,614 <sup>(4)</sup>	Nil	140,261	Nil	Nil	Nil	219,875
Justin Cochrane	79,614 <sup>(5)</sup>	Nil	140,261	Nil	Nil	Nil	219,875
Phillip Day <sup>(1)</sup>	59,711 <sup>(10)</sup>	Nil	138,936 <sup>(12)</sup>	Nil	Nil	Nil	198,647
Raffaele (Lucio) Genovese	96,200 <sup>(6)</sup>	Nil	140,261	Nil	Nil	Nil	236,461
Stephen Gill	136,671 <sup>(7)</sup>	Nil	241,560	Nil	Nil	Nil	378,231
Evgenij Iorich	76,960 <sup>(8)</sup>	Nil	140,261	Nil	Nil	Nil	217,221
G. Ernest (Ernie) Nutter	143,305 <sup>(9)</sup>	Nil	171,430	Nil	Nil	Nil	314,735

Notes:

- (1) Mr. Day was appointed a director of the Corporation on March 28, 2019.
- (2) For the market value of the unexercised options as at the year ended December 31, 2019, please refer to the Option-Based Awards table below.
- (3) The fees earned amount for Mr. Albanese was US\$110,500. The US average exchange rate for the year used was \$1.3269.
- (4) The fees earned amount for Mr. Brown was US\$60,000. The US average exchange rate for the year used was \$1.3269.
- (5) The fees earned amount for Mr. Cochrane was US\$60,000. The US average exchange rate for the year used was \$1.3269.
- (6) The fees earned amount for Mr. Genovese was US\$72,500. The US average exchange rate for the year used was \$1.3269.
- (7) The fees earned amount for Mr. Gill was US\$103,000. The US average exchange rate for the year used was \$1.3269.
- (8) The fees earned amount for Mr. Iorich was US\$58,000. The US average exchange rate for the year used was \$1.3269.
- (9) The fees earned amount for Mr. Nutter was US\$108,000. The US average exchange rate for the year used was \$1.3269.
- (10) The fees earned amount for Mr. Day was US\$45,000. The US average exchange rate for the year used was \$1.3269.
- (11) The fair value of stock options granted on February 26, 2019 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk-free interest rate of 1.77% in 2019, no expected dividend yield, stock price volatility of 66.7% and expected life of five years. The weighted average fair value of options granted was \$0.25.
- (12) The fair value of stock options granted on March 28, 2019 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk-free interest rate of 1.46% in 2019, no expected dividend yield, stock price volatility of 66.4% and expected life of five years. The weighted average fair value of options granted was \$0.25.
- (13) In 2018, Messrs. Albanese, Nutter and Gill were each awarded 125,514 stock options with a grant fair value of approximately \$26,000 as Board fees for work performed in connection with serving on a committee of the Board related to an equity raise by the Corporation. These fees were inadvertently excluded from the 2018 disclosure.

Outstanding Share-based Awards and Option-based Awards

The Board adopted a cash-settled-only deferred share unit plan on September 19, 2013, and subsequently amended and replaced the plan on March 25, 2014, February 10, 2017 and April 6, 2018 (as amended, the "DSU Plan"), for the purpose of providing non-executive directors of the Corporation with the opportunity to participate in the long term success of the Corporation and to promote a greater alignment of interests between the directors of the Corporation and the Shareholders. The DSU Plan is administered by the Committee and provides that the Board may designate, from time to time at its sole discretion, the directors of the Corporation who are entitled to participate in the DSU Plan (the "DSU Participant(s)"). The DSUs issued to a DSU Participant under the DSU Plan vest on the date of grant and, prior to April 6, 2018 were paid out in a lump sum cash payment to the DSU Participant following termination of board service in an amount equal to the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the payout date, which is the day following the date the DSU Participant ceases to be a director of the Corporation. Subsequent to the April 6, 2018 amendment,

date a DSU Participant ceases to be a director of the Corporation and settlement of DSUs will be by way of: (i) a lump sum cash payment; (ii) the issuance of Common Shares; or (iii) a combination of a cash payment and the issuance of Common Shares, at the discretion of the Board. If dividends are paid on the Common Shares, additional DSUs will be automatically granted in accordance with the DSU Plan to each DSU Participant who holds DSUs on the record date for such dividend. The rights and interests of a DSU Participant in respect of the DSU Plan are not transferable or assignable, other than by will or the laws of succession. In the case of an adjustment to the issued Common Shares, the Corporation will make an adjustment to the number of DSUs or the kind of securities that are subject to the issued DSUs.

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2019 for each director, other than directors who are NEOs:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(2)</sup>
Tom Albanese	433,000	0.69	May 16, 2023	Nil	Nil	Nil	Nil
	790,740	0.44	February 26, 2024				
	125,514	0.44	February 26, 2024				
Michael Brown	125,000	0.69	November 9, 2021	Nil	Nil	Nil	105,931
	433,000	0.69	May 16, 2023	Nil			
	564,814	0.44	February 26, 2024	Nil			
Justin Cochrane	433,000	0.69	May 16, 2023	Nil	Nil	Nil	Nil
	564,814	0.44	February 26, 2024				
Phillip Day <sup>(3)</sup>	564,814	0.44	February 26, 2024	Nil	Nil	Nil	Nil
Raffaele (Lucio) Genovese	433,000	0.69	May 16, 2023	Nil	Nil	Nil	69,199
	564,814	0.44	February 26, 2024				
Stephen Gill	757,000	0.69	May 16, 2023	Nil	Nil	Nil	63,474
	847,221	0.44	February 26, 2024				
	125,514	0.44	February 26, 2024				
Evgenij Iorich	433,000	0.69	May 16, 2023	Nil	Nil	Nil	78,725
	564,814	0.44	February 26, 2024				
G. Ernest (Ernie) Nutter	433,000	0.69	May 16, 2023	Nil	Nil	Nil	Nil
	564,814	0.44	February 26, 2024				
	125,514	0.44	February 26, 2024				

Notes:

<sup>(1)</sup> In-the-money options are those options where the market value of the underlying securities as at the most recent financial year end exceeds the option exercise price. The closing market price of the Common Shares on the TSX as at December 31, 2019 was \$0.365.

<sup>(2)</sup> The value of the DSUs were calculated by multiplying the number of DSUs not yet paid out from the director's account by the closing price of the Common Shares on the TSX as of December 31, 2019, being \$0.365.

<sup>(3)</sup> Mr. Day was appointed a director of the Corporation on March 28, 2019.

#### Incentive Plan Awards – Value Vested or Earned During the Year

Directors were granted stock options as a component of their compensation package in 2019. The stock options vest on the date of grant. The fair value of stock options at the date of grant has been estimated using the Black-Scholes option pricing model. The following table sets out the value vested or earned under incentive plans during the financial year ended December 31, 2019 for each director, other than directors who are NEOs:

<u>Name</u>	<u>Option-Based Awards – Value Vested During the Year<sup>(1)</sup></u> <u>(\$)</u>	<u>Share-Based Awards – Value Vested During the Year</u> <u>(\$)</u>	<u>Non-Equity Incentive Plan Compensation – Value Earned During the Year</u> <u>(\$)</u>
Tom Albanese	<u>227,534</u>	<u>Nil</u>	<u>Nil</u>
Michael Brown	<u>140,261</u>	<u>Nil</u>	<u>Nil</u>
Justin Cochrane	<u>140,261</u>	<u>Nil</u>	<u>Nil</u>
Phillip Day <sup>(2)</sup>	<u>138,936<sup>(3)</sup></u>	<u>Nil</u>	<u>Nil</u>
Raffaele (Lucio) Genovese	<u>140,261</u>	<u>Nil</u>	<u>Nil</u>
Stephen Gill	<u>241,560</u>	<u>Nil</u>	<u>Nil</u>
Evgenij Iorich	<u>140,261</u>	<u>Nil</u>	<u>Nil</u>
G. Ernest (Ernie) Nutter	<u>171,430</u>	<u>Nil</u>	<u>Nil</u>

Notes:

<sup>(1)</sup> The fair value of stock options granted on February 26, 2019 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk-free interest rate of 1.77% in 2019, no expected dividend yield, stock price volatility of 66.7% and expected life of five years. The weighted average fair value of options granted was \$0.25.

<sup>(2)</sup> Mr. Day was appointed a director of the Corporation on March 28, 2019.

<sup>(3)</sup> The fair value of stock options granted on March 28, 2019 has been estimated using the Black-Scholes option pricing model, given that this is one of the most common methodologies available, assuming a risk-free interest rate of 1.46% in 2019, no expected dividend yield, stock price volatility of 66.4% and expected life of five years. The weighted average fair value of options granted was \$0.25.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN**

Other than the DSU Plan, the only equity compensation plan which the Corporation has in place that provides for the issuance of Common Shares from treasury is the Option Plan, which was last approved by Shareholders on April 28, 2017. The Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Option Plan is administered by the Board. As at December 31, 2019, the Option Plan provides the Corporation with the ability to grant stock options to purchase up to 76,193,589 Common Shares (10% of shares issued and outstanding as at that date). As at December 31, 2019, the Corporation has outstanding stock options to purchase a total of 37,323,834 Common Shares pursuant to the Option Plan and 869,394 DSUs representing approximately 5.0% of the Common Shares issued and outstanding as at that date. As at December 31, 2019, 38,000,361 Common Shares remained available for future issuance pursuant to the Option Plan, representing approximately 5.0% of the issued and outstanding Common Shares as at that date. The Corporation is seeking Shareholder approval to amend the Option Plan at the Meeting. See “*Particulars of Matters to Be Acted Upon – Approval of Amendments and Unallocated Entitlements under the Option Plan*”. The following is a summary of the terms of the Option Plan, before giving effect to the proposed amendments:

1. Any director, officer, employee (whether part-time or full-time) or consultant of the Corporation or any of its subsidiaries (each being an “Eligible Person”) is eligible to receive stock options under the Plan.
2. The number of shares available for purchase pursuant to stock options granted under the Plan, and all other security based compensation arrangements of the Corporation, will not exceed 10% of the number of Common Shares which are issued and outstanding (the “Outstanding Issue”) on the particular date of grant.
3. In accordance with the Plan, the Board may, at any time, without further approval by the Shareholders of the Corporation, amend the Plan or any stock option granted thereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:

- (a) amend typographical, clerical and grammatical errors;
  - (b) reflect changes to applicable securities laws;
  - (c) include the addition of a cashless exercise feature, payable in cash or securities;
  - (d) ensure that the stock options granted under the Plan will comply with any provisions respecting the income tax and other laws in force in any country or jurisdiction of which an Eligible Person to whom a stock option has been granted may from time to time be resident or a citizen;
  - (e) reduce the exercise price or extend the term of a stock option for an optionee who is not an insider;
  - (f) shorten the term of options;
  - (g) cancel options; and
  - (h) terminate the Plan.
4. The exercise price of each stock option shall be not less than the volume weighted average trading price of the Common Shares, calculated by dividing the total value by the total volume of Common Shares traded on the TSX for the five trading days immediately preceding the date of grant.
  5. The stock options are non-assignable and may be exercised for a period not to exceed 5 years, such period and any vesting schedule to be determined by the Board.
  6. Subject to the provisions of the Plan, the Board shall have the authority to determine the limitation, restrictions and conditions, if any, in addition to or in variation of those set forth in the Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the exercise of the Option or the sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon exercise of an Option may be forfeited, with the discretion in the Board to modify or rescind such restrictions in the event of certain corporate developments including but not limited to a take-over bid, reorganization, merger, change in capital or amalgamation.
  7. Stock options held by an optionee that ceases to be an Eligible Person for any reason other than death, will cease to be exercisable at 4:30 p.m. (Vancouver time) on or before the earlier of the expiry date of the stock options and the termination date of such optionee. If any portion of a stock option is not vested by such date, that portion of the stock option may not be exercised by the optionee.
  8. If an optionee dies while an Eligible Person, the personal representative of the optionee may exercise the optionee's stock options on or before the earlier of the expiry date or twelve months after the date of the optionee's death, but only to the extent the stock options were by their terms exercisable on the date of death.
  9. The number of Common Shares subject to stock options granted to any one optionee shall be determined by the Board subject to: (a) the number of Common Shares issuable to insiders of the Corporation, at any time, under all share compensation arrangements, not exceeding 10% of the Outstanding Issue; and (b) the aggregate number of Common Shares issued to insiders of the Corporation, pursuant to the exercise of stock options granted under the Plan and all other share compensation arrangements, in any 12 month period, not exceeding 10% of the Outstanding Issue.
  10. The Plan contains adjustment provisions in the event of the subdivision or consolidation of the shares of the Corporation, or in the event that the Corporation is re-organized, amalgamated or merged with or consolidated into another corporation or in the event there



11. In the event of a takeover bid for the Corporation, including a corporate combination, the Plan provides, inter alia, that notwithstanding any vesting restriction that would otherwise apply, all outstanding stock options may be exercised in whole or in part by the optionee so as to permit the optionee to tender the shares received upon such exercise pursuant to the takeover bid.
12. There is no financial assistance available to optionees under the Plan.
13. Any amendment under the Plan which requires shareholder approval pursuant to the policies of the TSX will be subject to the receipt of shareholder approval in accordance with the policies of the TSX.
14. The expiry date of outstanding stock options held by optionees which may expire during a restricted trading period imposed by the Corporation in accordance with applicable securities laws (a “Blackout Period”), will be extended for a period of 10 business days commencing on the first business day after the expiry date of the Blackout Period to provide such optionees with an extension to the right to exercise such stock options.

### Summary of DSU Plan

The Board adopted the DSU Plan on a cash-settled-only basis on September 19, 2013, and subsequently amended and replaced the DSU Plan on March 25, 2014, February 10, 2017, and April 6, 2018. The DSU Plan was adopted in order to provide directors of the Corporation with the opportunity to participate in the long-term success of the Corporation and to promote a greater alignment of interests between the directors of the Corporation and the Shareholders. All directors of the Corporation are eligible to participate in the DSU Plan, but all issuances pursuant to the DSU Plan to date have been made to directors who were not executives of the Corporation at the time of such issuances. The DSU Plan initially provided that obligations under the DSU Plan would be settled only in cash, but in order to preserve the cash of the Corporation, the Board determined that it was in the best interest of the Corporation to also provide the ability to settle DSUs by the issuance of Common Shares from treasury. Effective April 6, 2018, the DSU Plan was amended to provide for such issuances on the terms set out below, as approved by Shareholders at the 2018 annual meeting. The following is a summary of some of the key terms of the DSU Plan.

The DSU Plan provides for the granting of DSUs for the purpose of advancing the interests of the Corporation and its affiliates through the motivation, attraction and retention of directors, through payment of compensation related to the market price of the Common Shares. The DSU Plan is administered by the Board. Each DSU granted is credited by means of an entry on the books of the Corporation to a participant, representing the right to receive 30 days following the date which the participant ceases to be an eligible director, at the discretion of the Board: (i) a cash payment equal to the then market price (i.e. the volume weighted average trading price of the Common Shares on the TSX for the five trading days ending on the last trading date immediately preceding the date as of which the market price is determined) of a Common Share in accordance with the DSU Plan, or (ii) one Common Share (subject to adjustments) issued from treasury.

The maximum number of Common Shares made available for the DSU Plan and all other security-based compensation arrangements of the Corporation shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the number of Common Shares issued and outstanding from time to time, subject to adjustments as contemplated under the DSU Plan. The aggregate number of Common Shares issuable to insiders pursuant to DSUs granted and all other security-based compensation arrangements of the Corporation, at any time, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares issued to insiders pursuant to DSUs and all other security-based compensation arrangements of the Corporation, within a one-year period, shall not exceed 10% of the total number of Common Shares then outstanding.

A total of 869,394 DSUs (representing less than 1% of the number of outstanding Common Shares as at December 31, 2019) granted to directors of the Corporation were outstanding as at December 31, 2019. As at December 31, 2019, there were 37,323,834 options outstanding under the Option Plan. Accordingly, factoring in the number of DSUs and options outstanding, based on the number of Common Shares outstanding as at December 31, 2019, up to 38,000,362 Common Shares (representing approximately 5.0% of the number of outstanding Common Shares as at December 31, 2019) were available for issuance in satisfaction of further option and DSU grants.

Each grant of a DSU under the DSU Plan is evidenced by a grant letter issued to the DSU Participant. Such grant letter is subject to all applicable terms and conditions of the DSU Plan and may be subject to any other terms and conditions which are not inconsistent with the DSU Plan and which the Board deems appropriate.

All DSUs vest on the date of the applicable grant letter.

In the event a dividend is paid on the Common Shares while DSUs are outstanding, each DSU Participant will be credited with additional DSUs. In such case, the number of additional DSUs will be equal to the aggregate amount of dividends that would have been paid to the participant if the DSUs in the DSU Participant's account on the record date had been Common Shares divided by the market price of a Common Share on the ex-dividend date in respect of which dividends were paid by the Corporation. The additional DSUs will vest on the vesting date of the particular outstanding DSUs to which the additional DSUs relate. Additionally, the number of DSUs outstanding may be adjusted to reflect changes to the Corporation's outstanding share capital, such as share consolidations or subdivisions.

Except pursuant to a will or by the laws of succession, no DSU is assignable or transferable.

The Board has the discretion (without Shareholder approval) to amend, modify and change the provisions of the DSU Plan, including, without limitation:

- (a) amendments of a house keeping nature; and
- (b) changes to the settlement date of any DSUs.

However, without limitation of the generality of the foregoing, Shareholder approval would be required for amendments to the provisions of the DSU Plan that would:

- (a) change insider participation limits which would result in Shareholder approval to be required on a disinterested basis;
- (b) increase the number of Common Shares or maximum percentage of Common Shares, which may be issued pursuant to the DSU Plan; or
- (c) change any amending provisions of the DSU Plan.

The following table sets out equity compensation plan information as at the financial year ended December 31, 2019:

### Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options and rights	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)</sup>
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders – on April 28, 2017 (the Option Plan)	37,323,834	\$0.59	38,000,362
– on May 4, 2018 (the DSU Plan)	869,394	-	
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>38,193,228<sup>(2)</sup></b>	<b>\$0.59</b>	<b>38,000,362<sup>(3)</sup></b>

Notes:

(1) Based on 10% of the issued and outstanding Common Shares as at December 31, 2019 less the Common Shares from Column (a).

(2) Equal to 4.7% of the number of Common Shares outstanding as at the date of this Information Circular.

(3) Equal to 4.6% of the number of Common Shares outstanding as at the date of this Information Circular.

The following table sets out the annual burn rate for the Option Plan for the prior three financial years:

For the year ended December 31,	Number of Options Granted	Weighted Average Common Shares Outstanding	Percentage
2019	14,486,334	724,948,740	2.00%
2018	19,074,000	498,579,148	3.83%
2017	Nil	91,271,929	0.00%

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the commencement of the financial year ended December 31, 2019 or as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below or elsewhere in this Information Circular, since the commencement of the Corporation's financial year ended December 31, 2019, no informed person (including a director, officer or holder of 10% or more of the Common Shares) of the Corporation, any proposed director of the Corporation or any associate or affiliate of any informed person or proposed director, had any material interest, direct or indirect in any transaction or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

On March 27, 2020, the Corporation announced a comprehensive balance sheet strengthening financing package (collectively, the “Refinancing Transactions”). In connection with the Refinancing Transactions, the Corporation entered into a new convertible loan facility (the “Convertible Loan”) with Pala in the principal amount of US\$30 million, which extended and replaced the US\$30 million unsecured credit facility that the Corporation entered into with Pala on November 29, 2019 (the “2019 Credit Facility”). Pala may, at any time, and from time to time, convert all or a portion of the Convertible Loan, including any accrued interest thereon, into Common Shares at a conversion price of \$0.1575, the current market price of the Common Shares at the time that the Convertible Loan was entered into. In addition, the Corporation, Pala and an affiliate of Triple Flag Precious Metals Corp. entered into a backstop agreement (the “Backstop”) on March 27, 2020 providing for up to US\$20 million of funding from Pala which is available for the Corporation to call on if required until December 31, 2021 if it is unable to raise capital from other sources. See the Corporation’s press releases dated March 27, 2020, March 30, 2020 and April 3, 2020 for additional details on the Refinancing Transactions.

The Board formed a special committee consisting of members of the Board who are independent of Pala and management (the “Special Committee”), and who had no direct or indirect interest in any of the Refinancing Transactions, to consider the terms of the Convertible Loan and the Backstop and the related transactions involving Pala. The Special Committee met regularly separately from the full Board. After careful consideration, the Special Committee recommended that the Board approve the terms of the Convertible Loan and the Backstop, among other transactions.

On May 7, 2019, the Corporation announced a series of financing arrangements and the launch of a public offering of Common Shares and a concurrent private placement (collectively, the “2019 Financing”). Both Pala and Castlflake L.P. were involved in the 2019 Financing. Pala also provided an equity standby facility that was replaced by the 2019 Credit Facility. See the Corporation’s press releases dated May 7, 2019, May 9, 2019 and May 16, 2019 for additional details.

#### **APPOINTMENT OF AUDITORS**

PricewaterhouseCoopers LLP, Chartered Professional Accountants (“PWC”), will be nominated at the Meeting for re-appointment as auditor of the Corporation at a remuneration to be fixed by the directors. PWC was appointed as the auditor of the Corporation on April 10, 2018.

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

Information concerning the Corporation’s Audit Committee is set out under the heading “Audit Committee Information” in the Corporation’s Annual Information Form dated May 15, 2020 (the “AIF”). The AIF may be obtained from SEDAR under the Corporation’s name at [www.sedar.com](http://www.sedar.com).

#### **CORPORATE GOVERNANCE**

##### **General**

Effective June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “CSA”) have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure required by the Corporation of its corporate governance practices. This section sets out the Corporation’s approach to corporate governance and addresses the Corporation’s compliance with NI 58-101.

## Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board currently consists of 9 directors: Tom Albanese, Michael Brown, Justin Cochrane, Phillip Day, Ricardo De Armas, Raffaele (Lucio) Genovese, Stephen Gill, Evgenij Iorich and G. Ernest (Ernie) Nutter. The independent members of the Board within the meaning of NI 52-110 are: Messrs. Albanese, Brown, Cochrane, De Armas, Genovese, and Nutter. Mr. Day is considered non-independent since he was the Chief Operating Officer of the Corporation until March 28, 2019. Messrs. Gill, Iorich and Day are employed by Pala, the Corporation’s largest shareholder, and therefore are considered to be non-independent directors.

The independent directors meet without non-independent directors and members of management on an ad hoc basis as necessary to fulfil their duties as independent directors or to assess transactions in which non-independent members or members of management may have an interest. The independent directors hold in camera sessions at each Board meeting. In addition, Tom Albanese has been appointed lead independent director.

Certain directors are presently a director of one or more other reporting issuers, as follows:

Name of Director	Corporation	Exchange
Tom Albanese	Franco-Nevada Corporation	TSX
Michael Brown	Gem Diamonds	LSE
Justin Cochrane	Conic Metals Corp.	TSX-V
Ricardo De Armas	North River Resources Plc Heron Resources Ltd. Itafos	AIM ASX TSX-V
Raffaele (Lucio) Genovese	Firestone Diamonds Plc Ferrexpo Plc	AIM LON
Evgenij Iorich	Itafos	TSX-V
G. Ernest (Ernie) Nutter	Hummingbird Resources Plc	AIM

There were 16 meetings of the Board during the financial year ended December 31, 2019. Directors’ attendance was as follows:

Directors	Meetings Attended
Tom Albanese	16/16
Michael Brown	15/16
Justin Cochrane	14/16
Phillip Day <sup>(1)</sup>	12/12
Raffaele (Lucio) Genovese	15/16

<b>Directors</b>	<b>Meetings Attended</b>
Evgenij Iorich	14/16
G. Ernest (Ernie) Nutter	15/16

Notes:

- (1) Mr. Day joined the Board on March 28, 2019, however he attended all Board meetings held in 2019 in his capacity as Chief Operating Officer until his resignation from that office on March 28, 2019. Mr. Day attended all 12 Board meetings in 2019 that he was eligible to attend in his capacity as a director after his appointment as a director of the Corporation on March 28, 2019.
- (2) Mr. Gili resigned from the Board on May 8, 2020.
- (3) Mr. De Armas joined the Board on March 1, 2020.

There were 6 meetings of the Audit Committee during the financial year ended December 31, 2019. Directors' attendance was as follows:

<b>Directors</b>	<b>Meetings Attended</b>
Justin Cochrane	6/6
Raffaele (Lucio) Genovese	6/6
G. Ernest (Ernie) Nutter	6/6

## **Board Mandate**

The Board supervises the management of the affairs and business of the Corporation pursuant to the powers vested by the *Business Corporations Act* (British Columbia), the Articles of the Corporation and all other statutory and legal requirements generally applicable to the directors of a business corporation that is also a "reporting issuer" under applicable securities legislation. Management is responsible for the day-to-day operation of the business and affairs of the Corporation. The responsibilities of the directors are as follows:

- (a) Oversee Management of the Corporation. The principal responsibilities of the directors are to oversee the management of the Corporation and, in so doing, serve the best interests of the Corporation on behalf of its Shareholders. These responsibilities require that the directors attend to the following:
  - review and approve on a regular basis, and as the need arises, fundamental operating, financial, and other strategic corporate plans which take into account, among other things, the opportunities and risks of the business;
  - evaluate the performance of the Corporation, including the appropriate use of corporate resources;
  - evaluate the performance of, and oversee the progress and development of, senior management and take appropriate action, such as promotion, change in responsibility and termination;
  - implement senior management succession plans;
  - evaluate the Corporation's compensation programs;
  - establish a corporate environment that promotes timely and effective disclosure (including appropriate controls, procedures and incentives), fiscal accountability, high ethical standards and compliance with applicable laws and industry and community standards;
  - evaluate the Corporation's systems to identify and manage the risks faced by the Corporation;
  - review and decide upon material transactions and commitments;
  - develop a corporate governance structure that allows and encourages the Board to fulfil its responsibilities;

- provide assistance to the Corporation’s senior management, including guidance on those matters that require Board involvement; and
  - evaluate the overall effectiveness of the Board and its committees.
- (b) Exercise Business Judgment. In discharging their fiduciary duties of care, loyalty and candour, directors are expected to exercise their business judgment to act in what they reasonably and honestly believe to be the best interests of the Corporation free from personal interests. In discharging their duties, when appropriate, the directors normally are entitled to rely on the Corporation’s senior executives and its outside advisors, auditors and legal counsel but also should consider second opinions where circumstances warrant.
- (c) Understand the Corporation and its Business. Directors are expected to become and remain informed about the Corporation and its business, properties, risks and prospects.
- (d) Establish Effective Systems. Directors are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Corporation. Directors should also provide for periodic reviews of the integrity of the Corporation’s internal controls and management information systems.
- (e) Protect Confidentiality and Proprietary Information. Directors are responsible for establishing policies that are intended to protect the Corporation’s confidential and proprietary information from unauthorized or inappropriate disclosure. Likewise, all discussions and proceedings of the Board must be treated as strictly confidential and privileged to preserve open discussions between directors and to protect the confidentiality of Board discussions.
- (f) Board, Committee and Shareholder Meetings. Directors are responsible for attending Board meetings and meetings of committees on which they serve. They must devote the time needed, and meet as frequently as necessary, to properly discharge their responsibilities.

### **Position Descriptions**

The Board has developed a written position for the Non-Executive Chairman and Lead Director. At least annually, the Board will review the position descriptions. The Board does not have a written position for the CEO of the Corporation. The Board believes that the roles and responsibilities of the CEO have been appropriately communicated through Board meetings and informal communications amongst the Board and management. The Board does not have a written position description for the chairs of each Board committee, but has tasked each committee chair with the responsibility of organizing and leading the relevant committee to fulfil its role.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Corporation’s properties, business, technology and industry and on the responsibilities of directors. Board meetings may also include presentations by the Corporation’s management and employees to give the directors additional insight into the Corporation’s business.

Directors are encouraged to undertake continuing director education, the cost of which is borne by the Corporation. The Corporation has arranged for financing industry and legal experts to attend Board meetings and provide a seminar on topics relevant to their positions as directors. Directors are also encouraged to visit the Corporation’s Pumpkin Hollow Project (the “Project”) and in the last year, all directors have visited the Project at least once.

### **Ethical Business Conduct**

The Board has adopted a Code of Business Conduct and Ethics (the “Code”) for its directors, officers and employees. The Governance and Nomination Committee has the responsibility for monitoring compliance with the Code by ensuring all directors, officers and employees receive and

Code. Any non-compliance with the Code is to be reported to the Chairman of the Governance and Nomination Committee. A copy of the Code may be accessed on the Corporation's website at [www.nevadacopper.com](http://www.nevadacopper.com).

The Board seeks to ensure that directors, officers and employees are familiar with the Code to ensure that they exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest. To encourage and promote a culture of ethical business conduct, the Board has adopted a Whistleblower Policy. This policy is also available on the Corporation's website at [www.nevadacopper.com](http://www.nevadacopper.com).

In accordance with the requirements of the *Business Corporations Act* (British Columbia), directors and officers are required to declare any material interest they may have in any transaction or agreement with the Corporation, and, if a director, to abstain from voting on any director approval of the transaction. The Board has established a Governance and Nomination Committee, whose responsibilities include considering questions of independence and making recommendations to the Board with respect to director independence and conflicts of interest. Where appropriate, the Board will form a committee of the independent directors to consider transactions in which directors or executive officers have an interest or will be affected differently than other Shareholders.

### **Nomination of Directors**

The Board has a Governance and Nomination Committee consisting of three directors, Lucio Genovese, Evgenij Iorich and Ernie Nutter. The Governance and Nomination Committee is responsible for (i) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, (ii) recommending to the Board the persons to be nominated for election as directors at any meeting of Shareholders, and (iii) recommending to the Board persons to be appointed by the Board to fill any vacancies on the Board. The Governance and Nomination Committee recommendations will be considered by the Board, but the recommendations are not binding upon it.

### **Compensation**

The Board has a Compensation Committee as described under the heading "Compensation of Executive Officers – Compensation Discussion and Analysis" in this Information Circular. The Compensation Committee conducts annual reviews of the compensation of the Corporation's CEO, senior officers and directors and makes recommendations to the Board.

### **Other Board Committees**

Along with the Audit Committee, Governance and Nomination Committee and Compensation Committee, the Board also has a Health, Safety, Environment and Technical Committee ("HSET Committee"). The HSET Committee consists of four Board members, Tom Albanese, Mike Brown, Phil Day, and Ernie Nutter. The HSET Committee is responsible for assisting the Board in fulfilling its responsibilities and to review and approve environmental policies and monitor activities of the Corporation as they relate to environmental matters, review and monitor the activities of the Corporation as they relate to the health and safety of employees of the Corporation in the workplace, and oversee technical and operational matters.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and



consider that formal assessments would be useful at this stage of the Corporation's development. The Board conducts informal assessments of the Board's effectiveness, the individual directors and the Audit Committee. As part of the assessments, the Board or the Audit Committee may review its mandate and conduct reviews of applicable corporate policies.

### **Board Retirement Policy and Renewal**

The Corporation does not have any term limits, retirement policies or similar mechanisms in place for forcing the renewal or replacement of its directors. Each director serves for a one-year term and stands for re-election by Shareholders at the Corporation's annual general meeting each year. The Board does not have a limit on the number of consecutive terms for which a director may sit. The Board believes that Board renewal can happen naturally without imposing arbitrary age or term limits. In addition, the Board believes that effective corporate decision-making is enhanced through the continuity, experience and knowledge that come from permitting longer-term service on a Board.

### **Policies Regarding the Representation of Women on the Board**

The Corporation has not adopted a written policy relating to the identification and nomination of women directors. The Corporation is an equal opportunity employer and believes that supporting a diverse workplace is a business essential that helps the Corporation and its Board attract and retain the brightest and most talented individuals in the industry. The Corporation believes that this diversity philosophy is well entrenched and accepted by all of its employees, including its Board, executive officers and employees generally. The Corporation does not believe that a written policy is necessary to further advance the Corporation's commitment to a diverse workplace. However, the Board has determined to commence a process to identify a qualified female candidate for nomination to the Board at the 2021 annual general meeting.

### **Consideration of the Representation of Women in the Director Identification and Selection Process**

The Board supports the principle of boardroom diversity. The Governance and Nomination Committee considers diversity (including, among other important qualifications, gender, age, geography and nationality) when reviewing qualified candidates for recommendation for election to the Board. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit and against objective criteria, including diversity. When the Governance and Nomination Committee engages in the nomination process, searches for potential nominees are conducted so as to put forward a diverse range of candidates, including women candidates.

### **Consideration Given to the Representation of Women in Executive Officer Appointments**

When identifying candidates for executive officer positions, the Corporation takes a similar approach, considering, among other factors, professional competencies, industry or other relevant experience, education, leadership style and experience, merit and personal attributes, including gender diversity, to build a strong executive team.

### **Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Board has not set specific targets as to the number of women board members, nor has the Board set specific targets as to the number of executive officers who are women. The Board does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates; rather, selection is based on merit, having regard to the various skills, abilities, qualifications and competencies needed for the particular position, of which diversity is one of several important factors that are considered.

### **Number of Women on the Board and in Executive Officer Positions**

As at the end of the reporting period, the Corporation has 10% (10 out of 100) female directors and 10% (10 out of 100) female executive officers.

## MANAGEMENT CONTRACTS

There are no management functions of the Corporation which are to any substantial degree performed by a person or Corporation other than the directors or senior officers of the Corporation.

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

Other than as disclosed elsewhere in this Information Circular and other than transactions carried out in the ordinary course of business of the Corporation or any of its subsidiaries, none of the directors or senior officers of the Corporation, no management nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Option Plan

The Corporation is seeking Shareholder approval of certain amendments to the Option Plan. The Corporation is also seeking Shareholder approval of all unallocated options under the Option Plan.

Pursuant to the terms of the Option Plan, the Corporation may, from time to time and in accordance with applicable regulatory requirements, grant to Eligible Persons stock options to purchase Common Shares equal to up to 10% of the Corporation's issued and outstanding Common Shares at the time of such grants. In accordance with the requirements of the TSX, every three years after institution, all unallocated options, rights and other entitlements under a security-based compensation arrangement which does not have a fixed maximum number of securities issuable (commonly referred to as a "rolling plan") must be approved by a majority of the issuer's directors and the issuer's securityholders. As the Option Plan does not have a fixed maximum number of securities issuable thereunder, the Shareholders are required to approve all unallocated options issuable pursuant to the Option Plan. Shareholders last approved the Option Plan at the Corporation's annual and special meeting held in 2017.

As at May 14, 2020, the Corporation had 819,735,897 Common Shares issued and outstanding. Under the Option Plan, the Corporation is permitted to grant stock options representing up to 10% of the issued and outstanding Common Shares. Based on the 819,735,897 Common Shares outstanding, this permits the Corporation, subject to receipt of Shareholder approval, to grant stock options for the purchase of up to 81,973,589 Common Shares. As at May 14, 2020, the Corporation has stock options outstanding for the purchase of up to 56,454,709 Common Shares, representing 6.8% of the issued and outstanding Common Shares at such time, and, subject to receipt of Shareholder approval, there would remain available 25,518,881 Common Shares for future grants of stock options under the Option Plan.

#### Approval of Amendments and Unallocated Entitlements under the Option Plan

The Board is proposing to make certain amendments to the Option Plan (the "Amended Option Plan"), predominantly to bring the Amended Option Plan in line with current market practice. The substantive amendments are as follows:

- (i) updating the list of amendments that can be made without Shareholder approval to include amendments to: (a) correct typographical, clerical and grammatical errors; (b) ensure that the Amended Option Plan complies with applicable laws and regulatory requirements, including the requirements of the TSX, in place from time to time; (c) amend the vesting provisions of any outstanding options as contemplated by the Amended Option Plan; (d) amend the provisions of the Amended Option Plan respecting the administration of the

of options or of the Amended Option Plan which do not entail an extension beyond the original expiry date; (f) amend the definitions set out in section 1.1 of the Amended Option Plan (other than the definition of “Eligible Person”); (g) amend the change of control provisions provided for in the Amended Option Plan; and (h) ensure that the options granted under the Amended Option Plan comply with any provisions respecting the income tax and other laws in force in any country or jurisdiction of which a participant to whom an option has been granted may from time to time be a resident or a citizen (see section 1.5(d) of the Amended Option Plan). Shareholder approval is required to: (i) increase the maximum number of Common Shares which may be issued under the Plan; (j) make any amendment which reduces the exercise price of any Option after the Options have been granted or any cancellation or termination of an Option prior to its expiry for the purpose of re-issuing Options to the same Optionee with a reduced exercise price, except in the case of an adjustment pursuant to section 2.5 of the Plan; (k) make any amendment to the Plan which increases the Non-Employee Director participation limit or which increases the Insider participation limit; (l) make any amendment to the Plan that extends the expiry date of any Option beyond the original expiry date, except in the case of an extension due to a Blackout Period; (m) make any amendment which would permit an Option granted under the Plan to be transferable or assignable by any Optionee other than as currently permitted under the Plan; (n) make any amendment to section 1.5(d) of the Plan so as to increase the ability of the Board to amend the Plan without shareholder approval, and (o) make any amendment requiring shareholder approval under applicable laws or rules of the Exchange;

- (ii) implementing additional restrictions on the participation of non-employee directors in the Amended Option Plan, specifically requiring that the maximum value of options granted to any non-employee director in a one-year period combined with the value of all grants to such person under other share-based compensation arrangements in such one-year period will not exceed US\$100,000, and the maximum aggregate value of all Common Share awards granted under the Option Plan, if any, to a non-employee director in a one-year period combined with the value of all grants to such person under other share compensation arrangements in such one-year period will not exceed US\$150,000 (see section 2.3 of the Amended Option Plan);
- (iii) clarifying the ability to transfer or assign options in the case of death of an Eligible Person (see section 2.4(d) of the Amended Option Plan);
- (iv) requiring double trigger vesting for employees in the case of a change of control and revising language related to the effect of take-over bids (see sections 2.6 and 2.7 of the Amended Option Plan); and
- (v) adding reference to the Clawback Policy (see section 2.8 of the Amended Option Plan).

A copy of the Amended Option Plan is included as Schedule A to this Information Circular. A version of the Amended Option Plan showing the proposed amendments as marked changes will be made available on the Corporation’s website at [www.nevadacopper.com](http://www.nevadacopper.com) until the date of the Meeting.

If the resolution approving the above noted amendments and all unallocated options under the Option Plan is not approved by Shareholders at the Meeting, currently outstanding options will continue unaffected; however, the Corporation will not have the ability to grant further stock options under the Option Plan. Furthermore, currently outstanding options that are subsequently cancelled or terminated will not be available for re-issuance under the Option Plan.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, approve an ordinary resolution, the form of which is set out below.

1. The amendments to the Corporation's Stock Option Plan (the "Option Plan") as outlined in the Corporation's 2020 Management Information Circular (the "Circular"), substantially in the form of the draft stock option plan attached as Schedule A to the Circular, be and hereby are approved;
2. The unallocated options under the Option Plan are hereby approved and the Corporation will have the ability to grant options under the Option Plan until June 24, 2023, which is the date that is three years from the date of the Shareholder meeting at which Shareholder approval is being sought; and
3. Any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolution.

**In the absence of contrary instructions, the persons designated in the accompanying form of proxy intend to vote in favour of the above resolution.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporate Secretary of the Corporation at Suite 598, 999 Canada Place, Vancouver, British Columbia, V6C 3E1, telephone number: 604-683-8992 or fax number 604-681-0122 to request copies of the Corporation's financial statements and management discussion and analysis.

Financial information for the Corporation is provided in the Corporation's comparative audited financial statements and management's discussion and analysis for the financial year ended December 31, 2019, which may be obtained from SEDAR under the Corporation's name at [www.sedar.com](http://www.sedar.com).

#### **OTHER MATTERS**

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

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

**DATED** at Vancouver, British Columbia, May 22, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

"Stephen Gill" (signed)

**Stephen Gill**  
**Chairman of the Board**

**SCHEDULE A**  
**AMENDED STOCK OPTION PLAN**

**NEVADA COPPER CORP.**

**STOCK OPTION PLAN**

Approved by the Board of  
Directors on October 3, 2007

Approved by the  
Shareholders on November  
16, 2007

Re-Approved by the  
Shareholders On August 27,  
2010

Re-Approved by the  
Shareholders On December 16,  
2013

Re-Approved by the  
Shareholders On April 28,  
2017

Re-Approved by the  
Shareholders  
On June 24, 2020

## 1. **GENERAL PROVISIONS**

### 1.1 **Interpretation**

For the purpose of this Plan, the following terms shall have the following meanings:

- (a) “**Affiliate**” means any entity that is an “affiliate” for purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time;
- (b) “**Board**” means the board of directors of the Corporation;
- (c) “**Certificate**” means a certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;
- (d) “**Change of Control**” means
  - (i) the direct or indirect sale or disposition of, by conveyance, transfer, lease or otherwise, in any single transaction or series of related transactions, all or substantially all of the property or assets of the Corporation, other than to an entity which was an Affiliate of the Corporation prior to the sale or disposition;
  - (ii) a reorganization, amalgamation, merger, arrangement or combination of the Corporation with or into any other entity, which results in all of the persons who were the beneficial owners of the Common Shares immediately prior to such reorganization, amalgamation, merger, arrangement or combination, together being entitled to exercise less than 50% of the voting rights attached to the outstanding voting securities of the entity resulting from the applicable transaction;
  - (iii) a formal bid or tender offer for voting securities of the Corporation or other acquisition of voting securities of the Corporation being completed which results in the offeror, its Affiliates and any other person acting jointly or in concert with the offeror (other than Pala Investments Limited or any of its Affiliates) together being entitled to exercise more than 50% of the voting rights attached to the outstanding voting securities of the Corporation; provided that, prior to such offer or acquisition, such persons were not entitled to exercise more than 50% of the voting rights attached to the outstanding voting securities of the Corporation; or
  - (iv) any transaction or series of related transactions determined by the Board to be substantially similar to any of the transactions noted above;
- (e) “**Common Shares**” means the common shares without par value of the Corporation as currently constituted;

- (f) “**Corporation**” means Nevada Copper Corp.;
- (g) “**Consultant**” means an individual (including an individual whose services are contracted through a personal holding corporation) with whom a Participating Corporation has a contract for services who is approved for participation in the Plan by the Board and for whom there exists an exemption from applicable prospectus requirements permitting the granting of an Option;
- (h) “**Director**” means a director of the Corporation;
- (i) “**Exchange**” means the Toronto Stock Exchange;
- (j) “**Exchange Manual**” means the Toronto Stock Exchange Company Manual;
- (k) “**Effective Date**” means October 3, 2007;
- (l) “**Eligible Person**” means, subject to all applicable laws, any director, officer, employee (whether part-time or full-time), or Consultant of the Corporation or any of its Subsidiaries;
- (m) “**Employee**” means an employee, including officers, whether Directors or not, and including both full-time and part-time employees, of the Company or any designated Affiliate.
- (n) “**Exercise Notice**” means the notice respecting the exercise of an Option, in substantially the form set out as Appendix “1” of Schedule “A” hereto, duly executed by the Participant;
- (o) “**Insider**” has the meaning ascribed to it in Part I of the Exchange Manual;
- (p) “**Non-Employee Director**” means any director of the Corporation who is not either (i) an employee or officer of the Corporation, or (ii) a Consultant;
- (q) “**Option**” means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan;
- (r) “**Outstanding Issue**” is determined on the basis of the number of Common Shares that are outstanding (on a non-diluted basis) immediately prior to the share issuance or grant of Option in question;
- (s) “**Participant**” means Eligible Persons to whom Options have been granted;
- (t) “**Participating Corporation**” means the Corporation and any of its Subsidiaries as designated by the Board from time to time;
- (u) “**Personal Representative**” means:
  - (i) in the case of a deceased Participant, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction



to do so; and

- (ii) in the case of a Participant who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Participant;
- (v) “**Plan**” means this Stock Option Plan of the Corporation;
- (w) “**Share Compensation Arrangement**” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to Eligible Persons, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (x) “**Subsidiary**” has the meaning ascribed to it under section 1 of the *Securities Act* (British Columbia); and
- (y) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person in any capacity.

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

This Plan is established under and the provisions of the Plan shall be interpreted and construed in accordance with the laws of British Columbia.

## **1.2 Purpose**

The purpose of the Plan is to advance the interests of the Corporation by (i) providing Eligible Persons with additional incentive, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation, (iv) encouraging the Eligible Persons to remain with the Corporation or its Subsidiary Companies, and (v) attracting new Eligible Persons.

## **1.3 Administration**

- (a) This Plan shall be administered by the Board or a committee of the Board duly authorized for this purpose by the Board and consisting of not less than three directors. If a committee is authorized for this purpose, all references to the Board will be deemed to be references to the committee.
- (b) Subject to the limitations of the Plan, the Board shall have the authority:
  - (i) to grant options to purchase Common Shares to Eligible Persons;
  - (ii) to determine the terms, limitations, restrictions and conditions respecting such grants;
  - (iii) to interpret the Plan and to adopt, amend and rescind such administrative

guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable; and

- (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan including, without limitation, for the purpose of ensuring compliance with section 1.6 hereof, as it may deem necessary or advisable.
- (c) The interpretation by the Board or an authorized committee of the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Participant. 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 in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Corporation.

#### **1.4 Shares Reserved**

- (a) Subject to adjustment as provided for herein, the number of Common Shares available for purchase pursuant to Options granted pursuant to this Plan, and all other security based compensation arrangements of the Corporation, will not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant of Options.
- (b) Any Common Shares subject to an Option which for any reason is cancelled or terminated without having been exercised, shall again be available for grant under the Plan. No fractional shares shall be issued. Reference should be made to section 1.8(d) for the manner in which fractional share values shall be treated.

#### **1.5 Amendment and Termination**

- (a) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable legislation, and subject to any required stock exchange or shareholder approval. No such amendment, suspension or termination shall impair any rights or increase any obligations under any Options granted previously to any Participant without the consent of such Participant, subject to section 1.5 (c) below. If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan shall continue in effect during such time as an Option or any rights pursuant thereto remain outstanding.
- (b) With the consent of the affected Participants, the Board may amend or modify any outstanding Option in any manner, subject to any required stock exchange or shareholder approval and the Board's ability to make amendments pursuant to sections 1.5(c) and 1.5(d).
- (c) Without limiting the generality of the foregoing, the Board may, subject to section 1.5(d), make amendments to the Plan or an Option granted under the Plan, as

applicable, without further approval by the shareholders of the Corporation, whether such amendments are fundamental or otherwise, including amendments to:

- (i) typographical, clerical and grammatical errors;
  - (ii) the terms and conditions of the Plan necessary to ensure that the Plan complies with applicable laws and regulatory requirements, including the requirements of the Exchange, in place from time to time;
  - (iii) the vesting provisions of any outstanding Options as contemplated by the Plan;
  - (iv) the provisions of the Plan respecting administration of the Plan, including to sections 2.4(b) and 2.4(c) relating to the exercise of Options, including to provide for the addition of a cashless exercise feature, payable in cash or securities;
  - (v) the termination provisions of Options or the Plan which do not entail an extension beyond the original expiry date;
  - (vi) the definitions set out in section 1.1 (other than the definition of “Eligible Person” noted above);
  - (vii) the change of control provisions provided for in the Plan. For greater certainty, any change made to the change of control provisions shall not allow Participants to be treated any more favourably than other holders of Common Shares with respect to the consideration that the Participants would be entitled to receive for their Common Shares upon Change of Control; and
  - (viii) ensure that the Options granted under the Plan will comply with any provisions respecting the income tax and other laws in force in any country or jurisdiction of which a Participant to whom an Option has been granted may from time to time be resident or a citizen;
- (d) The Board may not, without the approval of the Corporation’s shareholders, make amendments to the Plan or an Option granted under the Plan with respect to the following:
- (i) amend section 1.4(a) in order to increase the maximum number of Common Shares which may be issued under the Plan;
  - (ii) make any amendment which reduces the exercise price of any Option after the Options have been granted or any cancellation or termination of an Option prior to its expiry for the purpose of re-issuing Options to the same Optionee with a reduced exercise price, except in the case of an adjustment pursuant to section 2.5 herein;

- (iii) make any amendment to section 2.3 of the Plan which increases the Non-Employee Director participation limit or which increases the Insider participation limit;
- (iv) make any amendment which extends the expiry date of any Option beyond the original expiry date, except in the case of an extension due to a Blackout Period;
- (v) make any amendment which would permit an Option granted under the Plan to be transferable or assignable by any Optionee other than as currently permitted under the Plan;
- (vi) make any amendment to this section 1.5(d) of the Plan so as to increase the ability of the Board to amend the Plan without shareholder approval, and
- (vii) make any amendment requiring shareholder approval under applicable laws or rules of the Exchange,

in each case by obtaining the approval of a majority of the holders of the Common Shares voting at a duly called and held meeting of holders of Common Shares and, in the case of an amendment to increase the Insider participation limits, approval of a majority of the holders of the Common Shares voting at a duly called and held meeting of holders of the Common Shares, excluding Common Shares voted by Insiders who are Eligible Persons

## **1.6 Compliance with Legislation**

The Plan, the grant and exercise of Options hereunder and the Corporation's obligation to issue and deliver Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulation of any stock exchange on which the Common Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Option hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Common Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading. Common Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws and, if deemed necessary or expedient by the Board, the certificates representing the Common Shares issued upon the exercise of Options shall have a legend pertaining to such restriction. In particular, if Options are granted to any resident or citizen of the United States, the Board and the Corporation will use

their best efforts to ensure that all matters pertaining to such Options shall be made in compliance with applicable United States securities laws.

### **1.7 Effective Date**

This Plan will supersede and replace all previous stock option plans on the Effective Date.

### **1.8 Miscellaneous**

- (a) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or shareholder approval.
- (b) Nothing contained in the Plan nor in any Option granted thereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any Option.
- (c) The Plan does not give any Eligible Person the right or obligation to become or to continue to serve as a director, officer, Consultant or employee, as the case may be, of the Corporation or any of its Subsidiaries. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Corporation or any of its Subsidiaries other than as specifically provided for in the Plan.
- (d) No fractional Common Shares shall be issued upon the exercise of Options and, accordingly, if a Participant would become entitled to a fractional Common Share upon the exercise of an Option, such Participant shall only have the right to purchase the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (e) The grant of an Option shall be conditional upon the Eligible Person to whom the Option is granted completing, signing and delivering to the Corporation all documents as may be required by the regulatory authorities having jurisdiction.
- (f) In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

## **2. OPTIONS**

### **2.1 Grants**

Subject to the provisions of the Plan, the Board shall have the authority to determine the limitation, restrictions and conditions, if any, in addition to or in variation of those set forth in section 2.4 hereof, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the exercise of the Option or the sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon exercise of an Option may be forfeited, with the discretion in the Board to modify or rescind such restrictions in the event of certain corporate developments including but not limited to a take-over bid, reorganization, merger, change in capital or amalgamation. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion.

## **2.2 Option Price**

The Board shall establish the option exercise price at the time each Option is granted, which shall in all cases be not less than the volume weighted average trading price of the Common Shares, calculated by dividing the total value by the total volume of Common Shares traded on the Exchange for the five trading days immediately preceding the date of grant.

## **2.3 Number of Optioned Shares**

The number of Common Shares subject to an Option granted to any one Participant shall be determined by the Board subject to:

- (a) the number of Common Shares issuable to Insiders, at any time, under all Share Compensation Arrangements, cannot exceed 10% of the Outstanding Issue;
- (b) the number of Common Shares issued to Insiders as a group, pursuant to the exercise of Options granted under the Plan and all other Share Compensation Arrangements, in any 12 month period, cannot exceed 10% of the Outstanding Issue; and
- (c) the maximum value of Options granted under this Plan to any Non-Employee Director in a one-year period combined with the value of all option grants to such person under other Share Compensation Arrangements in such one-year period shall not exceed US\$100,000, and the maximum aggregate value of all Common Share awards granted under the Plan, if any, to a Non-Employee Director in a one-year period combined with the value of all grants to such person under other Share Compensation Arrangements in such one-year period shall not exceed US\$150,000. The foregoing limitations do not apply where the Corporation is making an initial grant to a new Non-Employee Director upon that person joining the Board, or for grants made in lieu of directors' fees payable in cash.

## **2.4 Exercise of Options**

- (a) Options granted must be exercised no later than 5 years after the date of grant or

such lesser period as may be determined by the Board.

- (b) An Option may be exercised only by the Participant or the Personal Representative of any Participant. An Option may be exercised, in whole or in part (subject to any applicable exercise restrictions), at any time or from time to time up to 4:30 p.m. (Vancouver time) on its expiry date by delivering to the Corporation an Exercise Notice, the applicable Certificate and a cheque, bank draft or wire transfer payable to the Corporation in an amount equal to the aggregate exercise price of the Shares to be purchased pursuant to the exercise of the Option.
- (c) As soon as practicable following the receipt of the Exercise Notice, the Corporation shall cause to be delivered to the Participant a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Certificate surrendered, the Corporation shall forward a new Certificate to the Participant concurrently with delivery of the aforesaid share certificate for the balance of the Shares available under the Option.
- (d) Subject to section 2.4(e)(ii), Options shall not be transferable or assignable, in whole or in part, otherwise than by will or the laws of descent and distribution, and shall be exercisable only by the Participant during the lifetime of the Participant and only by the Participant's Personal Representative after death of the Participant in accordance with the Plan.
- (e) Subject to section 2.4(a) and except as otherwise determined by the Board:

if a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant will cease to be exercisable at 4:30 p.m. (Vancouver time) on or before the earlier of the expiry date of the Option and the Termination Date. If any portion of an Option is not vested by the Termination Date, that portion of the Option may not under any circumstances be exercised by the Participant. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether:

- (i) the Participant received compensation in respect of dismissal or is entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant; and
- (ii) if a Participant dies while an Eligible Person, the Personal Representative of the Participant may exercise the Participant's Options on or before the earlier of the expiry date of the Option and the date that is twelve months after the date of the Participant's death, but only to the extent the Options were by their terms exercisable on the date of death.

## **2.5 Adjustment to Shares**

- (a) Subject to the policies, rules and regulations of any lawful authority having

jurisdiction (including any exchange with which the shares of the Corporation are listed for trading), the number of shares in respect of which options may be granted under the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the shares of the Corporation and, in the event of any such subdivision or consolidation, an appropriate adjustment shall be made so as to change the number of shares deliverable upon the exercise of the unexercised portion of any option theretofore granted, without change in the total price applicable to the unexercised portion of any option but with the corresponding adjustment in the price for each share covered thereby.

- (b) In the event the Corporation is re-organized, amalgamated or merged with or consolidated into another corporation or in the event there is a change in control of the Corporation, the Board may make such provisions as it deems appropriate for the exercise of outstanding options or continuance of outstanding options to prevent any increase or decrease in the number of shares deliverable upon their exercise.

## **2.6 Effect of Change of Control**

In the event of a Change of Control and if, at the time of the Change of Control:

- (a) the Participant is an Employee of the Corporation and, within 12 months of such Change of Control, the Corporation terminates the employment or services of said Participant/Employee for any reason other than cause or there exists "Good Reason" (as defined in the employment agreement or other contractual arrangement in place between the Participant/Employee and the Corporation) (the "Event of Termination"), then, on the date of such Event of Termination, all of the Participant's Options will immediately fully vest, if not already vested;
- (b) the Participant is not an Employee of the Corporation, then all of the Participant's Options will immediately fully vest on the date of the Change of Control, if not already vested.

In either of the foregoing events, as the case may be, all Options so vested may be exercised in whole or in part by the Participant from such applicable date until their respective expiry dates, subject to the terms of any employment agreement or other contractual arrangement in place between the Participant and the Corporation.

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



number of Common Shares to which he/she was entitled to purchase upon exercise of such Options.

## **2.7 Presence of Clawback Policy**

The Company has a Clawback Policy (the “Clawback Policy”) in place which applies in the event of a material restatement of the Company’s financial results as a result of the correction of a material error, or a material breach by a covered individual of the Corporation’s Code of Conduct, the gross negligence, fraud, theft or other serious misconduct by a covered individual, or a covered individual’s conviction of a criminal offence or conviction of a statutory offence involving moral turpitude. Covered compensation under the Clawback Policy includes compensation granted, vested or earned in respect of annual bonus entitlements and long-term incentive plans, whether in the form of cash or share-based awards, including Options. Refer to the full text of the Clawback Policy for complete details.

## **2.8 Incorporation of Terms of Stock Option Plan**

Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of each Certificate representing an Option granted under this Stock Option Plan.

## **2.9 Extension of Expiry Date of Stock Options Expiring During a Blackout Period**

The expiry date of outstanding Options held by Participants which may expire during a restricted trading period imposed by the Corporation in accordance with applicable securities laws (a “Blackout Period”), will be extended for a period of 10 business days commencing on the first business day after the expiry date of the Blackout Period to provide such Participants with an extension to the right to exercise such Options.

## **2.10 Merger of 2005 Stock Option Plan**

The stock option plan of the Corporation dated December 7, 2005 (the “2005 Stock Option Plan”) has been deemed to be merged herein, such that all Options outstanding under the 2005 Stock Option Plan of the Corporation shall be deemed to be outstanding under the Plan.

**SCHEDULE "A"**

**NEVADA COPPER CORP.  
STOCK OPTION PLAN  
OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Nevada Copper Corp. (the "Corporation") Stock Option Plan (the "Plan") and evidences that \_\_\_\_\_ is the holder of an option (the "Option") to purchase up to \_\_\_\_\_ common shares (the "Shares") in the capital stock of the Corporation at a purchase price of \$ \_\_\_ per Share. Subject to the provisions of the Plan, the expiry date of this Option is \_\_\_\_\_ (the "Expiry Date").

Other than as disclosed above, this Option may be exercised at any time up to 4:30 p.m. (Vancouver time) on the Expiry Date, by delivering to the Corporation an Exercise Notice, in the form provided in the Plan and attached hereto, together with this Certificate and a cheque, bank draft or wire transfer payable to Nevada Copper Corp. in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

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

DATED the \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**NEVADA COPPER CORP.**

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

**APPENDIX "1"**

**EXERCISE**

**NOTICE**

To: Nevada Copper Corp.  
Suite 1238 – 200 Granville Street, Vancouver, BC V6C 1S4

The undersigned hereby irrevocably gives notice, pursuant to the Nevada Copper Corp. (the "Corporation") Stock Option Plan (the "Plan"), of the exercise of an option (the "Option") to acquire common shares of the Corporation (the "Shares") referred to in the attached Certificate and hereby subscribes for (cross out non-applicable item):

- (a) all of the Shares; or
- (b) \_\_\_\_\_ of the Shares which may be purchased under the Option.

Calculation of total Exercise Price:

- (i) number of Shares to be acquired on exercise: \_\_\_\_\_ Shares
- (ii) times the exercise price per Share: \$ \_\_\_\_\_

TOTAL EXERCISE PRICE, enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a cheque, bank draft or wire transfer (*circle one*) in the amount of \$

\_\_\_\_\_ payable to Nevada Copper Corp., an amount which is equal to the total exercise price for the Shares being purchased, as calculated above, and directs the Corporation to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATED the \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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Signature of Witness

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Signature of Participant

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Name of Witness (*please print*)

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Name of Participant (*please print*)