

This Management Information Circular and the accompanying materials require your immediate attention.  
If you are in doubt as to how to deal with these documents or the matters to which they refer,  
please consult a professional advisor.

**EVRIM RESOURCES CORP.**

ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS OF  
EVRIM RESOURCES CORP.  
TO BE HELD ON JULY 16, 2018

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR

Dated June 8, 2018

**NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS OF  
EVRIM RESOURCES CORP.**

**Monday, July 16, 2018 at 10:00 a.m. (PDT)  
910 - 850 West Hastings Street, Vancouver, British Columbia, V6C 1E1**

The Canadian Securities Administrators have changed the provisions of National Instruments 51-102 and 54-101 to permit public companies to provide annual general meeting materials via a notice-and-access procedure rather than mailing the full information circular to the holders (the “**Shareholders**”) of common shares (the “**Shares**”) of Evrim Resources Corp. (the “**Company**”). This will save mailing costs and reduce the amount of paper wasted in preparing mailings that are not required.

All annual general meeting materials will be posted on SEDAR (www.sedar.com) and the Company’s website (www.evrimeresources.com). Any Shareholder may request a copy of the information circular by telephone toll-free 1-855-240-3727, facsimile (604) 248-8663 or email info@evrimresources.com. The request must include a delivery address for the printed materials. Such a request should be received by the Company no later than July 6, 2018, to ensure that you receive the printed materials in time to exercise your vote. Materials will be mailed within 3 business days if requested prior to the meeting date and within 10 business days if received after the meeting date. If you wish to receive annual and interim financial statements and MD&A for the Company, you can request these in the same way or by completing and returning the enclosed request form.

**IF YOU REQUIRE ADDITIONAL INFORMATION ABOUT THE NOTICE-AND-ACCESS REGULATIONS YOU CAN CALL 1-855-240-3727 EXT. “0”. A REPRESENTATIVE OF THE COMPANY WILL BE PLEASED TO ASSIST YOU.**

**NOTICE IS HEREBY GIVEN** that the annual and special general meeting (the “**Meeting**”) of the Shareholders will be held at the head offices of the Company located at 910 - 850 West Hastings Street, Vancouver, British Columbia, V6C 1E1 on Monday, July 16, 2018, at 10:00 a.m. (Vancouver time), for the following purposes:

1. To receive and consider the consolidated financial statements of the Company for the financial period ended December 31, 2017, together with the auditors’ report thereon;
2. To fix the number of directors of the Company at four (4); **(refer to Section 3 of the Information Circular)**
3. To elect the directors of the Company for the ensuing year; **(refer to Section 3 of the Information Circular)**
4. To appoint the auditors of the Company for the ensuing year; **(refer to Section 4 of the Information Circular)**
5. To authorize the directors to fix the auditors’ remuneration for the ensuing year; **(refer to Section 4 of the Information Circular)**
6. To consider, and if thought advisable, to pass an ordinary resolution to adopt and approve a new stock option plan of the Company, as more particularly described in the Information Circular; **(refer to Section 5 of the Information Circular)**

7. To consider, and if thought advisable, to pass an ordinary resolution to approve the adoption of a shareholder rights plan agreement dated July 16, 2018 between the Company and Computershare Investor Services Inc. as Rights Agent (the “**Rights Plan**”), as more particularly described in the Information Circular; (**refer to Section 6 of the Information Circular**)
8. To consider, and if thought advisable, to pass a special resolution to approve and ratify the amendment of articles of the Company with respect to advance notice provisions, in accordance with the *Business Corporations Act* (British Columbia), as more particularly described in the Information Circular; and (**refer to Section 7 of the Information Circular**)
9. To consider, and if thought advisable, to pass a special resolution to approve and ratify the amendment of articles of the Company with respect to quorum requirements, in accordance with the *Business Corporations Act* (British Columbia), as more particularly described in the Information Circular; and (**refer to Section 7 of the Information Circular**)
10. To transact any such further business as may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

The management information circular (the “**Information Circular**”) accompanying this Notice of Meeting provides additional information relating to matters to be dealt with at the Meeting. Any adjourned or postponed meeting resulting from an adjournment or postponement of the Meeting will be held at a time and place to be specified either by the Company before the Meeting or by the Chair at the Meeting. Please review the Information Circular carefully before voting.

Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and deposit the enclosed form of proxy by mail to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”). To be effective, the form of proxy must be deposited with Computershare, Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, by 10:00 a.m. (Vancouver time) on Thursday, July 12, 2018 (or before 48 hours, excluding Saturdays, Sundays and bank holidays before any adjournment of the meeting at which the proxy is to be used).

Non-registered holders of Shares should complete and return the voting instruction form or other authorization provided to them in accordance with the instructions provided therein. Failure to do so may result in your Shares not being voted at the Meeting.

DATED this 8<sup>th</sup> day of June, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) “J. Patrick Nicol”

**J. Patrick Nicol**

President, Chief Executive Officer and Director

## MANAGEMENT INFORMATION CIRCULAR

(as at June 8, 2018, except as indicated)

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of Evrim Resources Corp. (the “**Company**”) for use at the annual and special general meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of common shares (the “**Shares**”) of the Company to be held on Monday, July 16, 2018, at 10:00 a.m. (Vancouver time) at the head offices of the Company located at 910-850 West Hastings Street, Vancouver, British Columbia, V6C 1E1 and at any postponement(s) or adjournment(s) thereof for the purposes set forth in the accompanying Notice of Meeting.

This Information Circular and all proxy-related materials are being sent to Shareholders using the notice-and-access procedure permitted by National Instruments 51-102 and 54-101.

All costs of this solicitation will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers, employees and agents of the Company may solicit proxies personally, by telephone or by email. Employees will not receive any extra compensation for such activities.

### 1. APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder’s behalf in accordance with the instructions given by the Shareholder in the proxy. The persons named as proxyholder in the accompanying form of proxy were designated by the management of the Company (each a “**Management Proxyholder**”). **A Shareholder desiring to appoint a person or company other than a Management Proxyholder to represent the Shareholder at the Meeting may do so either by inserting the name of that other person or company in the blank space provided in the accompanying form of proxy or by completing another suitable form of proxy.** A person or company appointed as a proxyholder need not be a Shareholder. All completed proxy forms must be deposited with Computershare Investor Services Inc. (“**Computershare**”), Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, prior to 10:00 a.m. (Vancouver time) on Thursday, July 12, 2018, or, if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays, and holidays, before the time of the Meeting.

### NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are non-registered Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a registered Shareholder in respect of Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but that are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and directors or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting and the form of proxy or proxy authorization form (as defined below) (collectively, the “**Meeting Materials**”) to

the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Management of the Company does not intend to pay for Intermediaries to forward to objecting beneficial Shareholders the Meeting Materials required under National Instrument 54-101. An objecting beneficial Shareholder will not receive such materials unless he/she assumes the cost of delivery of such materials.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with Computershare** as provided above; or
- (b) more typically, be given a voting instruction form that is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**proxy authorization form**”) that the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions that contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares that they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholders in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

#### **REVOCATION OF PROXY**

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

- (a) signing a proxy bearing a later date or signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed as set out in the notes to the proxy), and depositing it at the time and place specified above for the proxy; or

- (b) registering in person with the Scrutineer at the Meeting and voting the Shares.

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

#### **EXERCISE OF DISCRETION BY PROXYHOLDER**

The Shares represented by a properly executed proxy or proxy authorization form will be voted for or against in accordance with the instructions of the Shareholder on any vote that may be called for, and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Shares represented by properly executed proxies will be voted accordingly.

**In the absence of any instructions to the contrary, the Shares represented by proxies or proxy authorization forms received by management of the Company will be voted FOR the approval of all matters set out in the proxy or proxy authorization form.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matters do properly come before the Meeting, it is intended that the person appointed as proxy shall vote on such other business in such manner as that person then considers to be proper.

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

The Board has fixed the close of business on June 1, 2018, as the record date for the Meeting (the “**Record Date**”). As of the Record Date, the authorized share capital of the Company consists of an unlimited number of Shares. As of June 1, 2018, the Company had outstanding 79,348,907 Shares, each carrying the right to one vote at the Meeting. The Company has no other class of voting securities.

The presence, in person or by proxy, of any one Shareholder is necessary for a quorum at the Meeting. Only Shareholders of record at the close of business on the Record Date, who either attend the Meeting personally or complete and deliver a form of proxy in the manner and subject to the provisions described above, will be entitled to vote their Shares or to have their Shares voted at the Meeting. The failure of any Shareholder to receive notice of the Meeting does not deprive the Shareholder of the right to vote at the Meeting.

Voting at the Meeting will be by a show of hands, each Shareholder having one vote, unless a poll is requested or required (if the number of Shares represented by proxies that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting), in which case each Shareholder is entitled to one vote for each share held. In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**ordinary resolution**”) unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a “**special resolution**”).

To the knowledge of the directors and executive officers of the Company, the following table lists all persons or entities who beneficially own, directly or indirectly, or exercised control or direction over, Shares carrying 10% or more of the voting rights attached to all outstanding Shares.

Beneficial Owner	Shares	Percentage of outstanding Shares
Altius Minerals Corporation	11,464,875	14.45%
Global Strategic Management Inc. d/b/a Adrian Day Asset Management	9,746,651	12.28%

### 3. ELECTION OF DIRECTORS

The size of the Company's board of directors (the "**Board of Directors**" or the "**Board**") is currently set at four. At the Meeting, Shareholders will be asked to fix the number of directors at four and to elect four directors to succeed the present directors whose term of office will expire at the conclusion of the Meeting. Each director elected will hold office until the conclusion of the next annual general meeting of the Company at which a director is elected, unless the director's office is earlier vacated in accordance with the constating documents of the Company or the provisions of the *Business Corporations Act* (British Columbia), as applicable.

The following table sets out the names and municipalities of residence of management's nominees for election as directors, all offices in the Company each nominee now holds, the date of initial appointment of each nominee as a director, the number of Shares and share purchase warrants of the Company beneficially owned by each nominee, directly or indirectly, or over which control or direction is exercised by such nominee, and each nominee's principal occupation, business or employment.

Name and Address of Nominee and Present Position with the Company	Period from which Nominee has been a Director	Number of Shares beneficially owned <sup>[1]</sup>	Number of Convertible Securities <sup>[1]</sup>	Principal Occupation
J. Patrick (Paddy) Nicol <sup>[3]</sup> Coquitlam, BC, Canada <i>President &amp; Chief Executive Officer, Director</i>	Dec. 23, 2010	1,496,877	6,625 Warrants <sup>[4]</sup> 1,000,000 options <sup>[5]</sup>	President & Chief Executive Officer, Evrim Resources Corp.
David A. Caulfield, P.Geo. <sup>[2,3]</sup> Quadra Island, BC, Canada <i>Director</i>	Dec. 23, 2010	1,012,000	50,000 Warrants <sup>[4]</sup>	Independent Geologist and corporate director
Paul van Eeden <sup>[2,3]</sup> Aurora, ON, Canada <i>Director</i>	Dec. 23, 2010	4,000,000	Nil	President, Cranberry Capital Inc., a private investment holding company

Name and Address of Nominee and Present Position with the Company	Period from which Nominee has been a Director	Number of Shares beneficially owned <sup>[1]</sup>	Number of Convertible Securities <sup>[1]</sup>	Principal Occupation
John Thompson, Ph.D. <sup>[2]</sup> Vancouver, BC, Canada <i>Director</i>	May 13, 2015	33,000	16,500 Warrants <sup>[4]</sup> 100,000 Options <sup>[6]</sup>	Principal of PetraScience Consultants, an exploration, development and technology consultancy

<sup>[1]</sup> Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised, which information has been furnished by the nominees.

<sup>[2]</sup> Member of the Compensation Committee.

<sup>[3]</sup> Member of the Audit Committee.

<sup>[4]</sup> The warrants to purchase Shares have an exercise price of \$0.50 per Share and expiry date of May 19, 2020.

<sup>[5]</sup> The options to purchase Shares have an exercise price of \$0.25 per Share and expiry date of November 9, 2022.

<sup>[6]</sup> The options to purchase Shares have an exercise price of \$0.18 per Share and expiry date of May 13, 2020.

**UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE ENCLOSED FORM OF PROXY THAT THE SHARES REPRESENTED BY SUCH PROXY ARE TO BE VOTED AGAINST THE ORDINARY RESOLUTION FIXING THE NUMBER OF DIRECTORS OF EVRIM AT FOUR AND THE APPOINTMENT RESOLUTION, PROXIES HELD BY MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF SUCH MATTERS.**

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

To the best of management's knowledge and except as disclosed herein, no proposed director:

- (a) is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity;
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) 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



- (c) has, within the 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.

Paul Van Eeden was a director and executive Chairman of Synodon Inc. until November 17, 2016. On November 30, 2016, a Receiver was appointed under the *Bankruptcy and Insolvency Act* (Canada) pursuant to a Court Order of the Court of Queen's Bench of Alberta and on May 8, 2017 Synodon Inc. was cease traded by the Alberta Securities Commission.

#### **4. APPOINTMENT AND REMUNERATION OF AUDITORS**

At the Meeting, Smythe LLP, Chartered Professional Accountants, of Vancouver, British Columbia will be recommended by management of the Company for reappointment as auditors of the Company at remuneration to be fixed by the directors. Smythe LLP, Chartered Professional Accountants was appointed as the Company's auditors effective January 5, 2011.

**UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE ENCLOSED FORM OF PROXY THAT THE SHARES REPRESENTED BY SUCH PROXY ARE TO BE VOTED AGAINST THE APPOINTMENT AND REMUNERATION OF THE AUDITOR, PROXIES HELD BY MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF SUCH MATTER.**

#### **5. APPROVAL OF STOCK OPTION PLAN**

The Company's current stock option plan (the "**Original Stock Option Plan**") is a fixed plan allowing for the issuance of up to 6,000,000 options to purchase common shares in the capital of the Company. Pursuant to TSX Venture Exchange (the "**Exchange**"), Policy 4.4 Incentive Stock Options ("**Policy 4.4**"), the Company would like to proceed with the implementation of 10% "rolling plan". Accordingly, on June 8, 2018, the Board adopted a new "rolling plan" stock option plan (the "**2018 Plan**"). The 2018 Plan, which is attached as Appendix "A" to this Information Circular, is in compliance with the requirements of Exchange Policy 4.4.

Pursuant to Policy 4.4, Shareholders are required to approve on a yearly basis stock option plans which have a "rolling plan" ceiling. Under the 2018 Plan, the Company may grant stock options pursuant to which common shares may be purchased by directors, officers, employees and consultants of the Company up to a maximum of 10% of the issued and outstanding capital of the Company. As of June 8, 2018, the Company had 5,925,000 stock options outstanding. Subject to Exchange acceptance of the 2018 Plan, the Original Stock Option Plan will be terminated, the 2018 Plan will be implemented and options previously issued and outstanding under the Original Stock Option Plan will roll into and be governed by the 2018 Plan.

The following is a summary of the principal terms of the 2018 Plan.

The 2018 Plan provides that stock options may be granted to directors, officers, employees and consultants of the Company, as such terms are defined in Policy 4.4.

The 2018 Plan is administered by the Company's Board.

The 2018 Plan provides for the issuance of stock options to acquire up to that number of the Company's common shares (the "**Plan Ceiling**") equal to 10% of the Company's issued and outstanding share capital as at the date of grant, subject to standard anti-dilution adjustments. This is a "rolling" Plan Ceiling as the number of common shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. The Plan Ceiling includes outstanding stock options granted prior to the implementation of the 2018 Plan. If a stock option expires or otherwise terminates for any reason, the number of common shares in respect of that expired or terminated stock option shall again be available for the purposes of the 2018 Plan.

The 2018 Plan may be amended or terminated by the Board at any time, but such amendment or termination will not alter the terms or conditions of any option awarded prior to the date of such amendment or termination. Any stock option outstanding when the 2018 Plan is amended or terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the 2018 Plan.

The 2018 Plan provides that other terms and conditions, including vesting provisions, may be attached to a particular stock option, at the discretion of the Board. All stock option grants are to be evidenced by the execution of an option agreement, substantially in the form attached as Schedule 1 to the 2018 Plan.

The exercise price of the stock options granted under the 2018 Plan shall be as set by the Board, but shall not be less than the discounted market value of the common shares on the date of the grant, in accordance with the policies of the Exchange.

The 2018 Plan provides that it is solely within the discretion of the Board to determine to whom stock options should be granted and in what amounts. The Board may issue a majority of the options to insiders of the Company. However, the number of common shares which may be reserved for issuance pursuant to stock options granted to insiders of the Company under the 2018 Plan, together with all of the Company's other previously established or proposed share compensation arrangements, in aggregate may not exceed 10% of the total number of issued and outstanding common shares on a non diluted basis. Further, the number of common shares which may be issuable under the 2018 Plan, together with all of the Company's other previously established or proposed share compensation arrangements:

- (a) to insiders of the Company, in aggregate, shall not exceed 10% of the outstanding common shares;
- (b) to any one optionee, other than to a consultant or employees providing investor relations activities shall not exceed 5%, in aggregate, of the outstanding common shares in any 12 month period on a non-diluted basis;
- (c) to any one consultant to the Company, shall not exceed 2%, in aggregate, of the outstanding common shares in any 12 month period; and
- (d) all such persons of the Company providing investor relations activities (as defined by the policies of the Exchange), in aggregate, shall not exceed 2%, in aggregate, of the outstanding common shares in any 12 month period.

A stock option may be granted for a period of up to ten years from the date of the grant. If the optionee resigns or is terminated other than for cause, all unexercised stock options previously granted to such optionee will expire after 90 days. If the optionee was providing investor relations services to the

Company, then the stock options will expire after 30 days. All unvested stock options will be cancelled immediately. If an optionee is terminated for cause, all stock options expire immediately.

Management of the Company will ask the Shareholders to approve the following resolution at the Meeting:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION that subject to regulatory approval:

- (a) the Company’s new stock option plan adopted by the Board on June 8, 2018 (the “**2018 Plan**”), be and is hereby adopted and approved;
- (b) the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the 2018 Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding common shares of the Company as at the time of the grant; and
- (c) the directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under the seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions.”

**MANAGEMENT RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF THE APPROVAL OF THE STOCK OPTION PLAN. UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE ENCLOSED FORM OF PROXY THAT THE SHARES REPRESENTED BY SUCH PROXY ARE TO BE VOTED AGAINST THE APPROVAL OF THE STOCK OPTION PLAN, PROXIES HELD BY MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF SUCH MATTER.**

## **6. ADOPTION OF SHAREHOLDER RIGHTS PLAN**

On June 8, 2018, the Board approved the Company’s adoption of a shareholder rights plan agreement dated to be effective July 16, 2018, with Computershare, as rights agent (the “**Rights Plan**”). The full text of the Rights Plan is set out in Appendix “B” to this Information Circular, and it must be approved by shareholders in order to become effective.

The purpose of the Rights Plan is to:

- provide shareholders and the Board with adequate time to consider and evaluate any unsolicited bid and to provide the Board with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid; and
- encourage a potential acquirer who makes a take-over bid to proceed either by way of a “Permitted Bid” (defined below), which generally requires a take-over bid to be made by way of a take-over bid circular in compliance with National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) or with the concurrence of shareholders and the Board. If a take-over bid fails to meet these requirements, the Rights Plan provides that holders of Shares, other than the Acquiring Person (defined below), will be able to purchase additional Shares at a significant discount to market, thus exposing the Acquiring Person to substantial dilution of its holdings.

The Rights Plan is initially not dilutive. However, if a “Flip-in Event” (defined below) occurs, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

The Rights Plan was conditionally accepted by the Exchange on May 31, 2018.

The Board did not adopt the Rights Plan in response to, or in anticipation of, any pending, threatened or proposed acquisition or take-over bid.

### **Summary of the Rights Plan**

The following is a summary of the principal terms of the Rights Plan, which is qualified in its entirety by reference to the full text of the Rights Plan.

#### **EFFECTIVE DATE**

The effective date of the Rights Plan is July 16, 2018.

#### **TERM**

If shareholders do not approve the Rights Plan at the Meeting, it will terminate at the close of the Meeting. If shareholders approve the Rights Plan, it must be subsequently reapproved at every third annual and general meeting of the shareholders or it will terminate.

#### **ISSUE OF RIGHTS AND TRANSFERABILITY**

Certificates representing the Shares that were issued and outstanding at 5:00 p.m. (Pacific Daylight Time) on July 16, 2018 (the “**Record Time**”) also evidence one Right for each Share represented by such certificates. In addition, certificates representing Shares issued after the Record Time and prior to the earlier of the Separation Time (as defined below) and the expiration of the Rights Plan will also evidence one Right for each Share represented by such certificates.

Share certificates do not need to be exchanged to entitle a shareholder to these Rights. A legend referring to the Rights Plan has been and will be placed on all new share certificates for Shares following the Record Time and prior to the earlier of the Separation Time and the expiration of the Rights Plan.

Until the Separation Time, the Rights will be transferable only together with, and will be transferred by a transfer of, the corresponding Shares. From and after the Separation Time and prior to the expiration of the Rights Plan, the Rights will be evidenced by Rights certificates separate from and independent of the certificates representing the Shares and will be transferable and traded separately from the Shares.

#### **RIGHTS EXERCISE PRIVILEGE**

The Rights will become exercisable and will be separate and independent from the Shares at the close of the business on the 10<sup>th</sup> trading day (the “**Separation Time**”) after the earlier of:

- (a) the first date of public announcement by the Company or an Acquiring Person (as defined below) of facts indicating that a person has become an Acquiring Person (the “**Stock Acquisition Date**”);
- (b) the date of the commencement of or first public announcement of the intent of any person to commence a take-over bid (other than a Permitted Bid (as defined below)), and

- (c) the date upon which a Permitted Bid ceases to be such.

Until a Right is exercised, the holder of the Right has no rights as a shareholder.

#### **ACQUIRING PERSON**

An “Acquiring Person” is a person who beneficially owns 20% or more of the Shares. An Acquiring Person does not, however, include the Company or any of its subsidiaries, or any person who becomes the beneficial owner of 20% or more of the outstanding Shares as a result of a Permitted Bid or certain other exempt transactions described in the Rights Plan.

#### **FLIP-IN EVENT**

Upon the occurrence of a transaction in or pursuant to which any person becomes an Acquiring Person (a “**Flip-in Event**”), each Right shall constitute the right to purchase from the Company, upon exercise thereof in accordance with the terms of the Rights Plan, that number of Shares having an aggregate Market Price (as defined below) on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined below) for an amount in cash equal to the Exercise Price, subject to adjustment as provided in the Rights Plan. The “Market Price” will be the average of the daily closing prices per Share on each of the 20 consecutive trading days preceding such date. The Rights Plan provides that, upon the occurrence of a Flip-in Event, any Rights that are or were beneficially owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:

- (a) an Acquiring Person (or any affiliate or associate of an Acquiring Person or any other person acting jointly or in concert with an Acquiring Person or any affiliate or associate of such other person), or
- (b) a transferee or other successor in title of Rights, directly or indirectly, from an Acquiring Person (or any affiliate or associate of an Acquiring Person or any other person acting jointly or in concert with an Acquiring Person or any affiliate or associate of such other person), where such transferee becomes a transferee concurrently with or subsequent to the Acquiring Person becoming an Acquiring Person; shall become null and void without any further action and any holder of such Rights (including transferees or other successors in title)

shall not have any other rights whatsoever with respect to such Rights under any provision of the Rights Plan.

#### **PERMITTED BIDS**

A “Permitted Bid” is a take-over bid that is made by means of a take-over bid circular in compliance with NI 62-104 and is made to all holders of voting shares of record, provided, however, that a take-over bid that qualified as a Permitted Bid shall cease to be a Permitted Bid at any time and as soon as such time as when such take-over bid ceases to meet any or all of the provisions of the definition.

A Permitted Bid need not be approved by the Board and may be taken directly to holders of Shares. The acquisition of Shares made pursuant to a Permitted Bid does not give rise to a Flip-in-Event.

## **REDEMPTION AND WAIVER**

Until the occurrence of a Flip-in Event, the Board, subject to receipt of shareholder approval, may at any time elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right (the “**Redemption Price**”), subject to adjustment as provided in the Rights Plan. The Board will be deemed to have elected to redeem all of the outstanding Rights at the Redemption Price where a person acquires Shares pursuant to a Permitted Bid. Where a take-over bid that is not a Permitted Bid expires, is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board may elect to redeem all of the outstanding Rights at the Redemption Price. If the Board elects or is deemed to have elected to redeem the Rights, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights will be to receive the Redemption Price.

The Board acting in good faith may, prior to a Flip-in Event having occurred and upon prior written notice delivered to the Rights Agent, waive application of the Rights Plan to a take-over bid made by means of a take-over bid circular to all holders of record of Shares, provided that such waiver would apply to any other Flip-in Event occurring by reason of any take-over bid made pursuant to a take-over bid circular.

The Board may also waive the application of the Rights Plan to a Flip-in Event, which the Board has determined occurred through inadvertence, subject to the inadvertent Acquiring Person reducing its holding of Shares within 14 days after that the Board’s determination or such earlier or later date as the Board may determine.

The Board may also, subject to shareholder approval, waive application of the Rights Plan at any time prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of Shares (other than through inadvertence), waive application of the Rights Plan. In the event that the Board proposes such a waiver, the Board shall extend the Separation Time to a date subsequent to and not more than 10 business days following the meeting of shareholders called to approve such waiver.

## **AMENDMENT**

The Company may make any amendment to the Rights Plan to correct any clerical or typographical errors or any other amendments which are required to maintain the validity of the Rights Plan as a result of a change in any applicable legislation or regulations or rules.

Subject to the foregoing, and prior to the Separation Time, the Company may supplement, amend, vary, rescind or delete any of the provisions of the Rights Plan and the Rights with shareholder approval.

Subject to the foregoing, and after the Separation Time, the Company may supplement, amend, vary, rescind or delete any of the provisions of the Rights Plan and the Rights with approval of the holders of Rights.

## **SHAREHOLDER APPROVAL**

**MANAGEMENT RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF THE APPROVAL OF THE SHAREHOLDER RIGHTS PLAN. UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE ENCLOSED FORM OF PROXY THAT THE SHARES REPRESENTED BY SUCH PROXY ARE TO BE VOTED AGAINST THE APPROVAL OF THE SHAREHOLDER RIGHTS PLAN, PROXIES HELD BY MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF SUCH MATTER.**

The text of the resolution is:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION:

- (a) the shareholder rights plan containing the terms and conditions set forth in the shareholder rights plan agreement dated July 16, 2018 between Evrim Resources Corp. (the “**Company**”) and Computershare Investor Services Inc., as rights agent (the “**Rights Plan**”), be and is hereby confirmed and approved;
- (b) the actions of the Company in adopting the Rights Plan and in executing and delivering the Rights Plan be and are hereby confirmed and approved; and
- (c) any director or officer of the Company is authorized to execute and deliver all such documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution.”

## **7. APPROVAL OF AMENDMENT OF ARTICLES**

At the Meeting, Shareholders will be asked to consider a special resolution to amend the Articles of the Company to provide for the advance notice of director nominations (the “**Advance Notice Provisions**”) and to amend the quorum requirements for shareholder meetings (the “**Quorum Requirements**”).

### **Advance Notice Provisions**

The Advance Notice Provisions fix a deadline by which shareholders must submit a notice of director nominations to the Company prior to an annual meeting of shareholders or any special meeting of shareholders at which directors are elected. In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 days prior to the date of the annual meeting. However, in the event that the annual meeting is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10<sup>th</sup> day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice Provisions also require that the notice of nomination include certain information on each person proposed to be nominated for election as well as certain information regarding the nominating shareholder.

The purpose of the Advance Notice Provisions is to ensure that the Company and shareholders receive adequate prior notice of director nominations as well as sufficient information with respect to all nominees in order to evaluate their qualifications and suitability as directors. The Advance Notice Provisions will also allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation. The Advance Notice Provisions are also intended to facilitate an orderly and efficient meeting process.

## Quorum Requirements

Currently the Company's Quorum Requirements with respect to shareholder meetings is set out in Articles 11.3. The Company would like to remove the current Article 11.3 in its entirety and replacing it with the following new Article 11.3:

### 11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholder is one or more person who are, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares of the Company entitled to be voted at the meeting.

The full text of the Advance Notice Provisions resolution is set forth in Appendix "C" to this Information Circular and the full text of the Quorum Requirements resolution is set forth in Appendix "D" to this Information Circular. To be effective, the Advance Notice Provisions resolution and the Quorum Requirements resolution must be approved by 66⅔% of the votes cast in person or by proxy at the Meeting on the resolutions. If the Advance Notice Provisions resolution and the Quorum Requirements resolution are passed, the amendments to the Articles of the Company will become effective on the date and time that the resolutions are received for deposit at the Company's records office, which the Company anticipates will be within seven days after the Meeting.

If shareholders do not approve the Advance Notice Provisions resolution and the Quorum Requirements resolution, the Articles of the Company will not be amended to add the Advance Notice Provisions or amend the Quorum Requirements.

**MANAGEMENT RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF THE APPROVAL OF THE AMENDMENT OF ARTICLES. UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE ENCLOSED FORM OF PROXY THAT THE SHARES REPRESENTED BY SUCH PROXY ARE TO BE VOTED AGAINST THE APPROVAL OF THE AMENDMENT OF ARTICLES, PROXIES HELD BY MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF SUCH MATTER.**

## 8. CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") requires issuers to disclose the corporate governance practices that they have adopted and National Instrument 58-201 *Corporate Governance Guidelines* provides guidance on corporate governance practices. In addition, the Company is subject to National Instrument 52-110 *Audit Committees* ("NI 52-110"), which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees. A full description of each of the corporate governance practices of the Company with respect to NI 58-101 is set out below.

The Board of Directors' responsibilities include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. The Board believes that good corporate governance practices provide an important framework for timely response by the Board to situations that may directly affect Shareholder value. The Board has adopted a Corporate



Governance Policy which includes several guidelines for disclosure controls and procedures, and trading policies. These policies are posted on the Company's website at [www.evrresources.com](http://www.evrresources.com).

#### *Board of Directors*

The Board must have the capacity, independent of management, to fulfill its responsibilities. Independence is based upon the absence of relationships and interests that could compromise the ability of a director to exercise judgment with a view to the best interests of the Company. The Board is responsible for determining whether or not each director is an independent director. To do this, the Board analyzes all the relationships of the directors with the Company and its subsidiaries.

The following directors are considered to be independent: David A. Caulfield, Paul van Eeden, and John Thompson. J. Patrick Nicol, who is the President and Chief Executive Officer of the Company, is considered not to be independent. The Board takes specific precautions for any transactions that involve related parties or directors that are not independent. This is accomplished by having a meeting of independent directors with no management representatives present. The Chairman of the Board also acts as Chair of this independent subcommittee. The Company's legal counsel provides guidance on documenting the decisions and actions of the independent directors. Alan J. Hutchison of Osler, Hoskin & Harcourt LLP, is the Company's legal counsel. He is a practicing barrister and solicitor in British Columbia.

#### *Directorships*

Directors of the Company are not directors of any other reporting issuers as of the date of this circular.

#### *Orientation and Continuing Education*

New directors of the Company are provided with an orientation and education program which includes written information about the duties of directors and the business and operations of the Company. New directors are provided with opportunities to meet with each senior officer of the Company to have their questions answered or to obtain additional information. On an ongoing basis, the Company's legal counsel will provide memoranda concerning particular issues that may be of concern to the Board.

#### *Ethical Business Conduct*

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation, common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board, in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The Company has adopted a Code of Conduct which encourages ethical business practices for all employees, officers and directors.

#### *Nomination of Directors*

The size and current membership of the Board of Directors is reviewed each year prior to the directors making any recommendations to the Shareholders in respect of the election of the Board at the annual meeting of the Shareholders. Nominations to the Board are made after taking into account the number of directors required to carry out the Board's duties effectively and the need to maintain the Board's diversity of views and experience. Prior to appointing any new director or recommending any new

nominee for election to the Board, a Nominating Committee of the Board will be struck to identify prospective Board members and interview each candidate to determine his or her area of expertise and qualifications to serve as a director of the Company.

### *Compensation*

The Board has determined that the compensation of directors and officers should be comparable to similar organizations taking into consideration such matters as time commitment, responsibility and trends in director and executive compensation. For more information regarding compensation paid to directors and executives, see *“Executive Compensation”*.

### *Other Board Committees*

There are no standing committees of the Board other than the Audit Committee and the Compensation Committee.

The Audit Committee is the Company’s primary standing committee of the Board. The Audit Committee reviews four times per year the accounting policies, internal control procedures and provide the Company’s external auditors with instructions. The majority of the members of the Audit Committee are independent members of the Board and all are financially literate. See *“Audit Committee and Relationship with Auditors”* below for additional information about the Audit Committee.

The Compensation Committee is composed of three independent directors of the Board. The Compensation Committee meets at least on an annual basis to review management performance and compensation. Recommendations from the Compensation Committee are referred to the entire Board of Directors at the budget review meeting for approval. The Compensation Committee reviews the goals and objectives for the Chief Executive Officer’s performance.

### *Assessments*

Currently, the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, and its committees, including reviewing the Board’s decision-making processes and quality and adequacy of information provided by management.

## **9. AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditors, which is set forth below.

### *The Audit Committee’s Charter*

The Company’s Audit Committee has adopted an Audit Committee Charter, attached as Appendix “E”, which includes the following significant responsibilities as responsibilities of the Audit Committee:

- reviewing the appointment of the Company’s Chief Financial Officer;

- reviewing the adequacy and effectiveness of the Company's systems of internal control and the adequacy and timeliness of its financial reporting processes;
- reviewing all financial disclosure prior to filing or distribution;
- reviewing the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles;
- reviewing significant related party transactions and potential conflicts of interest; and
- recommending the appointment of the external auditor, approving all audit engagement terms and fees and pre-approving all audit, non-audit and assurance services provided to the Company by the external auditor.

#### *Composition of the Audit Committee*

The Company's Audit Committee is comprised of three directors, Paul van Eeden, David A. Caulfield, and J. Patrick Nicol. Members are considered independent members of the Board pursuant to the meaning of "independent" provided in NI 52-110 except for Patrick Nicol, Chief Executive Officer of the Company. All three members are considered financially literate pursuant to NI 52-110.

#### *Relevant Education and Experience*

This section describes the relevant education and experience of the Company's Audit Committee members.

#### **Paul van Eeden**

Mr. van Eeden has significant business experience and is currently President of an investment holding company. Mr. van Eeden is experienced in reading and analyzing financial statements. Mr. van Eeden is the Chair of the Audit Committee.

#### **David A. Caulfield**

Mr. Caulfield has significant experience as a senior executive in the mineral exploration industry. He is well-versed in reviewing budgets and financial statements and management discussion and analysis (MD&A) reports.

#### **J. Patrick Nicol**

Mr. Nicol has significant experience as a senior executive in the mineral exploration industry. He is well-versed in reviewing budgets and financial statements and management discussion and analysis (MD&A) reports.

#### *Committee Oversight*

Since the commencement of the Company's most recently completed financial year ended December 31, 2017, the Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### *Reliance on Certain Exemptions*

Since the commencement of the Company's most recently completed financial year ended December 31, 2017, the Company has not relied on the exemptions contained in section 2.4 "De Minimis Non-Audit Services" or Part 8 "Exemptions" of NI 52-110. Section 2.4 of NI 52-110 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 of NI 52-110 permits a company to apply to the Canadian Securities Authorities for an exemption from the requirements of NI 52-110, in whole or in part.

### *Exemptions*

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### *External Auditor Service Fees*

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows.

	<b>Fiscal Year ended December 31, 2017</b>	<b>Fiscal Year ended December 31, 2016</b>
Audit Fees	\$ 32,000	\$ 34,000
Audit-Related Fees	785	680
Tax services – Canadian and US (for 2017)	7,400	1,920
<b>Total fees billed</b>	<b>\$ 40,185</b>	<b>\$ 36,600</b>

The Company's external auditors are Smythe LLP, Chartered Accountants. Full-time, permanent employees of the auditor perform all services. The nature of the services provided by the auditors under each of the categories indicated in the table is described below.

### *Audit Fees*

Audit fees includes those fees billed during the fiscal year for professional services rendered by the auditors for the audit of the Company's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.

### *Audit-Related Fees*

Audit-related fees were for assurance and related services reasonably related to the performance of the audit or review of the annual statements that are not reported under "Audit Fees" above. This included review of financial statements by an independent consultant as required by generally accepted auditing standards, registration fees for Canadian Public Accountability Board and disbursements made by the auditor on behalf of the Company.

### *Tax Fees*

Tax fees were for tax compliance, tax advice and tax planning professional services. These services consisted of tax compliance, including the review of tax returns and tax planning and advisory services relating to common forms of domestic and international taxation (i.e. income tax, capital tax, goods and services tax, payroll tax and value added tax).

### *Pre-Approval Policies and Procedures*

It is within the mandate of the Company's Audit Committee to approve all audit and non-audit related fees. The Audit Committee has pre-approved specifically identified non-audit related services, including tax compliance and review of tax returns as submitted to the Audit Committee from time to time. The auditors also present the estimate for the annual audit-related services to the Audit Committee for approval prior to undertaking the annual audit of the financial statements.

## **10. EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its named executive officers ("**Named Executive Officers**") listed in the Summary Compensation Table that follows. During its financial year ended December 31, 2017, four individuals were Named Executive Officers (as defined in Canadian Securities Laws) of the Company, namely J. Patrick Nicol, President and Chief Executive Officer, Mahesh Liyanage, Chief Financial Officer, Charles Funk, Vice President New Opportunities and Exploration and Stewart Harris, Vice President Technical Services.

### *Compensation Objectives, Principles and Process*

The Company has determined that the officers and employees of the Company should be compensated in a form and amount that takes into account such factors as professional qualifications, responsibility within the organization, and trends in executive compensation. The Company conducted a survey of compensation data, as disclosed in financial statements or information circulars, for selected companies with similar business models, at similar stages of development and with similar resources available to them. Specific companies considered in this survey were Almadex Minerals Ltd., Avrupa Minerals Ltd., Eagle Plain Resources Ltd., Eurasian Minerals Inc., Lara Exploration Ltd., Millrock Resources Inc., Miranda Gold Corp., Mirasol Resources Ltd. and Riverside Resources Inc. This data was used to determine appropriate levels of compensation for fiscal 2017.

The compensation package for each Named Executive Officer of the Company consists of a base salary, vacation commensurate with years of service, benefits available to all employees of the Company, an annual bonus based upon the Company's success in executing the joint venture model of mineral exploration and stock options. The Compensation Committee of the Board determines the compensation for the Chief Executive Officer and provides recommendation to the Chief Executive Officer for other executive officers. The Chief Executive Officer, in consultation with the Chief Financial Officer, determines compensation of staff members who are not executive officers.

It is difficult to assess appropriate performance targets for an exploration company, since the projects change within the fiscal year and success in exploration can be as much a function of the geology and project circumstances as it is the result of personal effort. The Compensation Committee determined that the Company's success in negotiating and managing joint venture or option agreements for mineral properties would represent the best standard for determining short and long-term incentive programs. The incentive program will be reviewed on an annual basis by the Compensation Committee to ensure that compensation remains competitive with industry standards.

Annual bonuses for all staff are based on company metrics from joint venture exploration, option payments, and joint venture management fees. The total bonus pool is based on a percentage of annual expenditures by joint venture partners as evidenced by invoices where the Company is the operator or expenditure reports where the Company is not the operator. Option payments and management fees are based on actual receipts. The distribution of the bonus pool is based on an annual assessment of employees' Key Performance Indicators (KPIs). Employees receiving perfect scores will receive a full bonus, weight ranked against other employee salaries. Residual amount for employees not receiving perfect scores will be distributed to other employees in the Company, based on their weighted annual salary.

The Company's Original Stock Option Plan is a fixed plan allowing for the issuance of up to 6,000,000 options to purchase common shares in the capital of the Company. The Board adopted the 2018 Plan on June 8, 2018. Subject to Shareholder and Exchange acceptance of the 2018 Plan, the Original Stock Option Plan will be terminated, the 2018 Plan will be implemented and options previously issued and outstanding under the Original Stock Option Plan will roll into and be governed by the 2018 Plan. Additional detail on the 2018 Plan can be found in section 5. of this Information Circular - *Approval of Stock Option Plan*.

The Compensation Committee is charged with the responsibility of reviewing the performance of the Chief Executive Officer on an annual basis, assisting with goal-setting and measurement of performance with respect to those goals, which are an integral part of the Company's overall compensation program.

Neither the Board nor any of its Committees have considered the implications of risk associated with the Company's compensation policies and practices.

No Named Executive Officer or Director is permitted to purchase financial instruments, including, for greater certainty, 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 granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

### **Summary Compensation Table**

The following table sets forth information concerning the annual and long term compensation for services rendered to the Company for the financial periods ended December 31, 2017, December 31, 2016, and December 31, 2015, in respect of the individuals who were the Chief Executive Officer and the Chief Financial Officer (or who acted in a similar capacity as) as of December 31, 2017, or at any time during the financial year, or other executive officers or individuals whose total compensation during such period exceeded \$150,000, being the Named Executive Officers.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>[1]</sup> (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
J. Patrick Nicol <i>President &amp; Chief Executive Officer</i> <sup>[2]</sup>	2017	195,208	NIL	42,053	13,473	NIL	NIL	NIL	250,734
	2016	175,500	NIL	NIL	NIL	NIL	NIL	NIL	175,500
	2015	183,625	NIL	NIL	6,403	NIL	NIL	NIL	190,028
Mahesh N. Liyanage <i>Chief Financial Officer</i> <sup>[3]</sup>	2017	163,333	NIL	42,053	11,120	NIL	NIL	NIL	216,506
	2016	127,833	NIL	NIL	NIL	NIL	NIL	NIL	127,833
	2015	122,417	NIL	NIL	4,269	NIL	NIL	NIL	126,686
Charles Funk <i>VP New Opportunities and Exploration</i> <sup>[4]</sup>	2017	163,333	NIL	63,079	11,055	NIL	NIL	NIL	237,467
	2016	86,667	NIL	NIL	NIL	NIL	NIL	NIL	86,667
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stewart Harris <i>VP Technical Services</i> <sup>[5]</sup>	2017	143,958	NIL	31,540	9,690	NIL	NIL	NIL	185,188
	2016	130,500	NIL	NIL	NIL	NIL	NIL	NIL	130,500
	2015	136,541	NIL	NIL	4,761	NIL	NIL	NIL	141,302

[1] The value of the option-based award was determined using the Black-Scholes option-pricing model on vested options.

[2] Mr. Nicol was appointed President and Chief Executive Officer on December 23, 2010. Amounts in this table include total remuneration for the fiscal years.

[3] Mr. Liyanage was appointed Chief Financial Officer on July 11, 2013. Amounts in this table include total remuneration for the fiscal years. The Company entered into an agreement with Mirasol Resources Ltd. to share CFO services effective March 1, 2016. The Company received \$84,250 and \$54,166.70 during the years ended December 31, 2017 and 2016, respectively.

[4] Mr. Funk was appointed Vice President New Opportunities and Exploration on April 22, 2016. Amounts in this table include total remuneration for the fiscal years.

[5] Mr. Harris was appointed Vice President Technical Services on August 1, 2014. He was Vice President Exploration since September 5, 2012. Amounts in this table include total remuneration for the fiscal years.

## Incentive Plan Awards

The following incentive stock option awards to the Named Executive Officers were outstanding as of the end of the financial year ended December 31, 2017. The market price of the Shares closed at \$0.25 on December 31, 2017.

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

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 (\$)
J. Patrick Nicol	1,000,000	\$0.25	Nov. 9, 2022	NIL	N/A	N/A	N/A
Mahesh N. Liyanage	1,000,000	\$0.25	Nov. 9, 2022	NIL	N/A	N/A	N/A
Charles Funk	1,500,000	\$0.25	Nov. 9, 2022	NIL	N/A	N/A	N/A
Stewart Harris	750,000	\$0.25	Nov. 9, 2022	NIL	N/A	N/A	N/A

[1] Unexercised “in-the-money” options refer to those options in respect of which the market value of the underlying security as at the financial year ended December 31, 2017, exceeds the exercise or base price of the option. The closing price of the Company’s Shares as at December 29, 2017 was \$0.25 (being the last trading date in the financial year ended December 31, 2017).

The following table sets forth information for each Named Executive Officers with respect to value vested or earned during the 2017 fiscal year in connection with incentive plan awards.

### *Incentive Plan Awards — Value Vested or Earned During the Year*

Name	Option-based awards — Value vested during the year <sup>[1]</sup> (\$)	Share-based awards — Value vested during the year (\$)	Non-equity incentive plan compensation — Value earned during the year (\$)
J. Patrick Nicol	NIL	NIL	13,473
Mahesh N. Liyanage	NIL	NIL	11,120
Charles Funk	NIL	NIL	11,055
Stewart Harris	NIL	NIL	9,690

[1] The value of the option-based awards vested during the financial year ended December 31, 2017 is based on the difference between the closing market price of the Shares on the vesting date of the options and the exercise price of the options.

## Pension Plan Benefits

The Company does not have a defined benefit plan, defined contribution plan or deferred compensation plan.



## Termination and Change of Control Benefits

The Company has signed employment contracts with the Chief Executive Officer, Vice President, Technical Services; Vice President, New Business Opportunities and Exploration; and Chief Financial Officer which would provide compensation or benefits in the event of termination of employment or changes in responsibility. The contract provisions include payment of eighteen months' salary to the Chief Executive Officer in the event of termination following a Change of Control (as defined below) while the other senior officers would receive twelve months' salary. There would be no additional payment to compensate for benefits. A Change of Control is defined as:

- a take-over bid (as defined in the *Securities Act* (British Columbia)) of the Company pursuant to which more than 50% of the outstanding Shares of the Company are tendered;
- a change of control of the Board, defined as the election by the shareholders of the Company of less than a majority of the persons nominated for election by management of the Company;
- a sale or other disposition of all or substantially all the assets of the Company outside of the normal course of business;
- a sale, exchange or other disposition of a majority of the outstanding shares of the Company in a single or a series of related transactions;
- a termination of the Company's business or the liquidation of its assets; or
- a merger, amalgamation or plan of arrangement or other corporate restructuring of the Company in a transaction or series of transactions in which the Company's shareholders as a group, prior to such merger, amalgamation or plan of arrangement or other corporate restructuring, own less than a majority of the outstanding shares of the new or continuing corporation on a fully diluted basis,

In the event the Company terminates the employment of any of the Named Executive Officers without just cause, a severance payment equal to three months' salary and benefits would be paid.

If a Change of Control had occurred on December 31, 2017, the Company would have incurred total additional salary costs of \$890,000. If the Company had terminated each of these officers without just cause, the Company would have incurred additional salary and benefit costs of \$195,000.

## Compensation of Directors

During the Company's financial year ending December 31, 2017, the Company paid each of the non-executive directors a monthly stipend of \$2,000 for their services in their capacity as directors. They were paid an additional \$500 per month for serving on any of the standing committees and an additional \$500 per month for serving as a chair of a standing committee. There is no additional cash remuneration for attendance at meetings. J. Patrick Nicol is included in the "Summary Compensation Table" above for Named Executive Officers and received no additional compensation for his services as director.

The following table summarizes the compensation for directors during the financial year ended December 31, 2017:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>[1]</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
David A. Caulfield	42,000	NIL	NIL	NIL	NIL	NIL	42,000
John Thompson	24,000	NIL	NIL	NIL	NIL	NIL	24,000
Paul van Eeden	48,000	NIL	NIL	NIL	NIL	NIL	48,000

[1] The value of the option-based award was determined using the Black-Scholes option-pricing model.

### Incentive Plan Awards

The following incentive stock option awards to the directors who are not Named Executive Officers were outstanding as of the end of the financial year ended December 31, 2017. The market price of the Shares closed at \$0.25 on December 31, 2017.

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

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 (\$)
David A. Caulfield	NIL	N/A	N/A	N/A	N/A	N/A	N/A
John Thompson	100,000	0.18	May 13, 2020	7,000	N/A	N/A	N/A
Paul van Eeden	NIL	N/A	N/A	N/A	N/A	N/A	N/A

[1] Unexercised "in-the-money" options refer to those options in respect of which the market value of the underlying security as at the financial year ended December 31, 2017, exceeds the exercise or base price of the option. The closing price of the Company's Shares as at December 31, 2017 was \$0.25 (being the last trading date in the financial year ended December 31, 2017).

*Director Incentive Plan Awards — Value Vested or Earned During the Year*

Name	Option-based awards — Value vested during the year <sup>[1]</sup> (\$)	Share-based awards — Value vested during the year (\$)	Non-equity incentive plan compensation — Value earned during the year (\$)
David A. Caulfield	NIL	NIL	NIL
John Thompson	NIL	NIL	NIL
Paul van Eeden	NIL	NIL	NIL

[1] The value of the option-based awards vested during the financial year ended December 31, 2017 is based on the difference between the closing market price of the Shares on the vesting date of the options and the exercise price of the options.

**11. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The table below sets out the outstanding options as of the end of the Company's most recently completed fiscal year ended December 31, 2017. Since the end of the most recently completed fiscal year ended December 31, 2017, the Board adopted 2018 Plan. Additional detail on the 2018 Plan can be found in item 5. of this Information Circular - *Approval of Stock Option Plan*.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	NIL	-	NIL
Equity compensation plans not approved by security holders – Fixed Stock Option Plan	5,925,000	0.25	75,000
<b>TOTAL</b>	<b>5,925,000</b>	<b>0.25</b>	<b>75,000</b>

**12. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers and employees of the Company are, as of December 31, 2017, indebted to the Company or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has at any time since the beginning of the Company's last completed financial year been indebted to the Company or any of its subsidiaries, nor have any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

**13. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Company, no director or executive officer of the Company, no person who beneficially owns or controls, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares (each of the foregoing being an “**Informed Person**”), no director or executive officer of an entity that is itself an Informed Person or a subsidiary of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the beginning of the Company’s last completed financial year or in any proposed transaction which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

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

None of the directors or executive officers of the Company, nor any person who has held such a position at any time since the beginning of the last completed financial year of the Company, nor any associate or affiliate 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 on at the Meeting.

**15. MANAGEMENT CONTRACTS**

The Company has not entered into any management contracts for the services of any director or senior officer of the Company. The management functions of the Company and its subsidiaries are not performed to any substantial degree by any person or company other than the directors and executive officers of the Company or its subsidiaries, except as described above.

**16. OTHER MATTERS**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgement of the person or person voting the proxy.

**17. ADDITIONAL INFORMATION**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information regarding the Company is included in its audited consolidated financial statements for the year ended December 31, 2017, and auditors’ report thereon, together with the corresponding management discussion and analysis, were filed on SEDAR on April 18, 2018, and have been mailed to all registered and beneficial Shareholders who had requested to receive them. Copies of the audited consolidated financial statements, together with the corresponding management discussion and analysis, as well as additional copies of this Information Circular, may be obtained upon request from the Company at 910-850 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1E1.

**18.           APPROVAL OF BOARD**

The contents and the sending of this Information Circular have been approved by the Board of Directors of the Company.

DATED this 8<sup>th</sup> day of June, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) "J. Patrick Nicol"

**J. Patrick Nicol**  
President, Chief Executive Officer  
and Director

**APPENDIX "A"**

**2018 PLAN**

**EVIM RESOURCES CORP.**

**2018 STOCK OPTION PLAN**

**ARTICLE ONE  
PURPOSE AND INTERPRETATION**

**Section 1.01 Purpose.** The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company by its directors, senior officers, employees and Consultants through the acquisition of Common Shares of the Company and to enable the Company to attract and maintain highly qualified directors, senior officers, employees and Consultants.

**Section 1.02 Definitions.** In this Plan, the following capitalized words and terms shall have the following meanings:

- (a) **“Act”** means the *Business Corporations Act* (British Columbia), or its successor, as amended from time to time.
- (b) **“Affiliate”** shall have the meaning ascribed to it in Policy 1.1 of the Exchange.
- (c) **“Associate”** shall have the meaning ascribed to it in Policy 1.1 of the Exchange.
- (d) **“Board”** means the board of directors of the Company as constituted from time to time.
- (e) **“Change of Control”** shall have the meaning specified in Section 2.07(h) of this Plan.
- (f) **“Common Shares”** means the common shares in the capital of the Company.
- (g) **“Company”** means Evrim Resources Corp., a corporation continued under the Act, and its successors from time to time.
- (h) **“Consultant”** means a person or company, other than an employee, senior officer or director of the Company, that:
  - i. is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a Distribution;
  - ii. provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company, as the case may be;
  - iii. in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
  - iv. has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

- (i) **“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (j) **“Distribution”** shall have the meaning ascribed to it in Policy 1.1 of the Exchange.
- (k) **“Exchange”** means the TSX Venture Exchange, or such other stock exchange or quotation system upon which the Common Shares are then listed and posted or quoted for trading.
- (l) **“Exchange Hold Period”** shall have the meaning ascribed to it in Policy 1.1 of the Exchange.
- (m) **“Insider”** shall have the meaning ascribed thereto in the Securities Act.
- (n) **“Issuer Bid”** shall have the meaning ascribed thereto in the Securities Act.
- (o) **“Investor Relations Activities”** has the meaning ascribed to it in Policy 1.1 of the Exchange.
- (p) **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in Investor Relations Activities.
- (q) **“Market Price”** has the meaning ascribed to it in Policy 1.1 of the Exchange.
- (r) **“Option Period”** means the period of time an option may be exercised as specified in Section 2.07(a) of this Plan.
- (s) **“Participant”** means a participant under this Plan as described in Section 2.02 of this Plan.
- (t) **“Plan”** means the 2018 stock option plan of the Company provided for herein.
- (u) **“Securities Act”** means the *Securities Act* (British Columbia) or its successor, as amended from time to time.
- (v) **“Take-over Bid”** shall have the meaning ascribed thereto in the Securities Act.
- (w) **“Termination”** shall have the meaning specified in Section 2.08 of this Plan.

**Section 1.03 Interpretation.** Any question arising as to the interpretation of this Plan or of any option granted hereunder will be determined by the Board and such determination will be conclusive and binding on the Company and all Participants.

## **ARTICLE TWO STOCK OPTION PLAN**

**Section 2.01 The Plan.** The Plan is hereby established for certain directors, senior officers, employees and Consultants of the Company and its related entities.



**Section 2.02 Participants.** Participants in the Plan shall be directors, executive officers, employees or Consultants of the Company or related entities who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company. In the case of employees, Consultants and Management Company Employees, options may only be granted to bona fide employees, Consultants or Management Company Employees. All options granted hereunder shall be evidenced by an "Option Agreement" between the Company and the Participant substantially in the form of Schedule 1.

**Section 2.03 Amount of Options.** The maximum number of Common Shares which may be issuable pursuant to options granted to any Participant under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, subject to adjustment or increase of such number pursuant to Section 2.10 hereof, shall be 10% of the Common Shares or such additional amount as may be approved from time to time by the shareholders of the Company. All options previously issued and outstanding under the Company's previous stock option plans dated May 23, 2012 and October 16, 2017 shall roll into and be governed by this Plan.

**Section 2.04 Limits with respect to Option Grants.** The aggregate number of Common Shares which may be issuable to Participants pursuant to options granted under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, shall not exceed 10% of the total number of issued and outstanding Common Shares.

The number of Common Shares which may be issuable under the Plan, within a 12 month period:

- (a) to Insiders, in aggregate, shall not exceed 10% of the total number of issued and outstanding Common Shares.
- (b) to any one Insider and such Insider's Associates, in aggregate, shall not exceed 5% of the number of Common Shares outstanding immediately prior to the grant of any such option.
- (c) to any one Participant, other than a Consultant or employee providing Investor Relations Activities, in aggregate, shall not exceed 5% of the total number of Common Shares outstanding immediately prior to the grant of any such option.
- (d) to any one Consultant, in aggregate, shall not exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option.
- (e) to all employees employed in Investor Relations Activities, in aggregate, shall not exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option and shall vest in stages over 12 months with no more than ¼ of the options vesting in any three month period.

Any Common Shares issuable pursuant to an option granted to a Participant prior to the Participant becoming an Insider shall be excluded for the purposes of the limits set out in Sections 2.04(a) and 2.04(b).

**Section 2.05 Price.** The exercise price per Common Share shall be determined by the Board at the time the option is granted, but such price shall not be less than the closing price of the Common Shares on the Exchange on the last trading day preceding the date on which the grant of the option is approved by the Board (or such lesser exercise price as may be permitted under the rules of the Exchange). In the

event that the Common Shares are not listed and posted for trading on the Exchange, the exercise price shall be the fair market value of the Common Shares as determined by the Board.

The exercise price may be reduced by a resolution of the Board if, in the unfettered discretion of the Board, such a reduction is warranted. In the case of Participants who are Insiders at the time of the reduction in the exercise price, the reduction shall be approved by a majority of disinterested shareholders of the Company at the time of the proposed amendment.

**Section 2.06 Lapsed or Expired Options.** All options granted under this Plan that are surrendered in accordance with the provisions of this Plan, have been terminated or cancelled or that have expired without being exercised shall continue to be issuable under the Plan.

**Section 2.07 Consideration, Option Period and Payment.**

- (a) The period during which options may be exercised shall be determined by the Board, to a maximum of ten (10) years from the date the option is granted (the “**Option Period**”), except as the same may be reduced with respect to any option as provided in Section 2.08 respecting termination of employment or death of the Participant and subject to extension where the expiry date falls within a “Blackout Period”, as discussed in Section 2.07(j) of this Plan. The vesting period of the options shall be determined and/or amended by the Board. Each option must vest within its Option Period and an option may not be exercised until it has vested.
- (b) Subject to any other provision of this Plan, an option may be exercised from time to time during the Option Period by delivery to the Company at its registered office of a written “Notice of Election to Exercise Option” addressed to the Secretary of the Company, substantially in the form of Schedule A of Schedule 1, specifying the number of Common Shares with respect to which the option is being exercised and accompanied by payment in full of the exercise price for the Common Shares. The exercise of any option will be contingent upon receipt by the Company of cash payment of the full exercise price of the Common Shares which are the subject of the Notice of Election to Exercise Option. Certificates for such Common Shares shall be issued and delivered to the Participant as soon as practicable following receipt of such notice and payment.
- (c) Except as set forth in Section 2.08, no option may be exercised unless the Participant is, at the time of such exercise, a director, senior officer, employee or Consultant of the Company or related entity and shall have been continuously a director, senior officer, employee or Consultant since the grant of his, her or its option. Absence on leave with the approval of the Company or related entity shall not be considered an interruption of employment for purposes of this Plan.
- (d) No Participant or his, her or its legal representatives, legatees or distributees will be, or will be deemed to be a holder of any Common Shares with respect to which he, she or it was granted an option under this Plan, unless and until certificates for such Common Shares are issued under the terms of this Plan.
- (e) Notwithstanding any provision in this Plan or in any Option Agreement, the Board and the Company shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Participant to the Company, of any taxes or other required source deductions which the Company is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan or any Option

Agreement. Without limiting the generality of the foregoing, the Company may, in its sole discretion:

- i. deduct and withhold additional amounts from other amounts payable to a Participant;
  - ii. require, as a condition of the issuance of Common Shares to a Participant, that the Participant make a cash payment to the Company equal to the amount, in the Company's opinion, required to be withheld and remitted by the Company for the account of the Participant to the appropriate governmental authority and the Company, in its discretion, may withhold the issuance or delivery of Common Shares until the Participant makes such payment; or
  - iii. sell, on behalf of the Participant, all or any portion of Common Shares otherwise deliverable to the Participant until the net proceeds of sale equal or exceed the amount which, in the Company's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Participant.
- (f) The obligation of the Company to issue and deliver any Common Shares pursuant to this Plan or any Option Agreement pursuant to options granted to a Participant shall be subject to any necessary approvals of the Exchange or any applicable securities regulatory authority. If any Common Shares cannot be issued to a Participant for any reason beyond the control of the Company, the obligation of the Company to issue such Common Shares shall terminate and the amount of any exercise price paid to the Company in respect of such Common Shares shall be returned to such Participant.
- (g) If there is a Take-over Bid or Issuer Bid (other than a "Normal Course" Issuer Bid) made for all or any of the issued and outstanding Common Shares, then the Board may, by resolution, permit all options outstanding, vested and unvested, under the Plan to become immediately exercisable (subject to any limitations the Board may impose) in order to permit Common Shares issuable under such options to be tendered pursuant to such bid.
- (h) In the event of a Change of Control (as defined below), then the Board may, by resolution, permit all options outstanding, vested and unvested, under the Plan to become immediately exercisable (subject to any limitations the Board may impose). For the purposes of this provision, a "Change of Control" will be deemed to have occurred when:
- i. a person (which includes a partnership or corporation) acting alone or jointly or in concert with others, acquires beneficial ownership of voting securities of the Company which, together with voting securities of the Company already owned by such person or persons, constitutes in the aggregate 20% or more of the outstanding voting securities of the Company. A person who is principally engaged in the business of managing investment funds for unaffiliated securities investors and, as a part of such person's duties for fully managed accounts, holds or exercises voting power over voting securities of the Company, will not, solely by reason thereof, be considered to be a beneficial owner of such voting securities;
  - ii. the Company agrees to amalgamate, consolidate or merge with another body corporate;

- iii. any resolution is passed or any action or proceeding is taken with respect to the liquidation, dissolution or winding up of the Company; or
  - iv. the Company decides to sell, lease, or otherwise dispose of all, or substantially all, of its assets.
- (i) In addition to any resale restrictions under Securities Laws, and any other circumstances for which the Exchange Hold Period may apply, where the exercise price of the options is at a discount to the Market Price, all options and any Common Shares issued upon the exercise of options prior to the expiry of the Exchange Hold Period must be subject to a four (4) month Exchange Hold Period commencing on the date the option is granted.
- (j) The expiry date of the option is set at the time the option is granted. In the event the options are set to expire within a period during which time the Company prohibits Participants from exercising their options or generally from trading in the Company's securities (a "**Blackout Period**"), the expiry date for such options will automatically be extended to ten (10) business days after the expiry of such Blackout Period.

#### **Section 2.08 Termination of Employment and Cessation of Investor Relations Activities.**

If a Participant shall cease to be:

- (a) a director, senior officer or Consultant of the Company or related entity for any reason other than death); or
- (b) an employee of the Company or related entity for any reason other than death, or shall receive notice from the Company or any of its related entities of the termination of his or her employment;

(each, a "**Termination**") he, she or it may exercise his, her or its options to the extent that he, she or it was entitled to exercise such options at the date of such Termination, but only within the period which ends on the earlier of the original Option Period and the date which is 90 days after such Termination.

In the case of an employee or Consultant engaged in Investor Relations Activities, he, she or it may, but only within 30 days after such employee or Consultant ceases to be employed or engaged, as the case may be, to provide Investor Relations Activities, exercise his, her or its options to the extent that he, she or it was entitled to exercise such options at the date of the cessation of Investor Relations Activities; provided that in no event shall such right extend beyond the Option Period.

If a Participant is terminated for cause, his, her or its options shall expire immediately.

**Section 2.09 Death of Participant.** In the event of the death of a Participant, the options granted, or unexercised portion thereof granted to the Participant shall be exercisable for a period of 12 months thereafter by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; provided that in no event shall such right extend beyond the Option Period.

**Section 2.10 Adjustment in Common Shares Subject to the Plan.** In the event that:

- (a) there is any change in the number of Common Shares through subdivisions or consolidations of the share capital of the Company, or otherwise;
- (b) the Company declares a dividend out of the ordinary course on the Common Shares payable in Common Shares or securities convertible into or exchangeable for Common Shares; or
- (c) the Company issues Common Shares, or securities convertible into or exchangeable for Common Shares, in respect of, in lieu of, or in exchange for, existing Common Shares,

the number of Common Shares available for option, the Common Shares subject to any option, and the option price thereof, shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of this Plan, subject to the prior consent of the Exchange (if such consent is required under the rules of the Exchange).

**Section 2.11 Record Keeping.** The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant in this Plan; and
- (b) the number of options granted to a Participant and/or permitted assign of the Participant (as applicable), the exercise price, the expiry date and the number of options outstanding.

### **ARTICLE THREE GENERAL**

**Section 3.01 Transferability.** The benefits, rights and options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of a deceased Participant. No option granted hereunder shall be pledged, hypothecated, charges, transferred, assigned or otherwise encumbered or disposed of.

**Section 3.02 Employment.** Nothing contained in this Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Company or related entity, or interfere in any way with the right of the Company or related entity to terminate the Participant's employment at any time. Participation in this Plan by a Participant shall be voluntary.

**Section 3.03 Administration of the Plan.** This Plan shall be administered by the Board or a committee of the Board to which such authority may be delegated, from time to time, by the Board. The Board shall be authorized to interpret and construe this Plan and may, from time to time, establish, amend or rescind rules and regulations required for carrying out the purposes, provisions and administration of this Plan and determine the Participants to be granted options, the number of Common Shares covered thereby, the exercise price therefore and the time or times when they may be exercised. All administrative costs of this Plan shall be paid by the Company. The Board and senior officers of the Company are hereby authorized and directed to do all things and execute and deliver all instruments, undertakings and applications and writings as they consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. No member of the Board shall be liable for any action taken or for any determination made in good faith in the administration, interpretation, construction or application of the Plan.

**Section 3.04 Amendment, Modification or Termination of the Plan.** The Board reserves the right to amend, modify or terminate this Plan at any time if and when it is advisable in the absolute discretion of the Board. Any amendment to any provision of this Plan shall also be subject to any necessary approvals, if applicable and if required, by the Exchange or regulatory body having jurisdiction over the securities of the Company and, if required, by the shareholders of the Company in the manner prescribed by any regulatory body having jurisdiction from time to time.

**Section 3.05 Consolidation, Merger, etc.** If there is a consolidation, merger or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a transfer of all or substantially all of the assets of the Company to another entity, upon the exercise of an option under this Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the option immediately prior to such event, unless the Board otherwise determine the basis upon which such option shall be exercisable.

**Section 3.06 No Representation or Warranty.** The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Plan.

**Section 3.07 Approval and Effective Date.** This Plan was adopted by the Board on June 8, 2018. Should changes be required in this Plan by the Exchange or any securities commission or other governmental body of any province of Canada to which this Plan has been submitted, such changes shall be made in this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, shall remain in full force and effect in its amended form as of and from the date written above.

This Plan shall be subject to Exchange and shareholder approval annually, such shareholder approval to be obtained at a meeting of shareholders of the Company.

**BY ORDER OF THE BOARD OF DIRECTORS  
EVRIM RESOURCES CORP.**

Per: (signed) "Paddy Nicol"  
Authorized Signatory

**SCHEDULE 1  
OPTION AGREEMENT**

This Option Agreement dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between:

Evrin Resources Corp.  
910-850 West Hastings Street  
Vancouver, BC  
V6C 1E1

(the "Company")

and

[Insert Participant Name and Address]

("Participant")

The Company has granted incentive stock options to the Participant pursuant to the terms of the Stock Option Plan, the Company and the Participant agree to the following:

- (a) option to purchase \_\_\_\_\_ common shares ("**Common Shares**") of the Company
- (b) exercise price \$ \_\_\_\_\_ per Common Share
- (c) options expire at 4 p.m. (Pacific time) \_\_\_\_\_, 20\_\_
- (d) options will vest as follows:
  - i. up to \_\_\_\_\_ Common Shares after \_\_\_\_\_, 20\_\_;
  - ii. up to an additional \_\_\_\_\_ Common Shares after \_\_\_\_\_, 20\_\_;
  - iii. up to an additional \_\_\_\_\_ Common Shares after \_\_\_\_\_, 20\_\_; and
  - iv. the remaining \_\_\_\_\_ Common Shares after \_\_\_\_\_, 20\_\_.

The Company and the Participant represent that the Participant is a bona fide [*insert one of: director / officer / employee / consultant*] of the Company.

**OR**

The Company and the Participant represent that the Participant is a bona fide employee of \_\_\_\_\_ which provides management services to the Company.

Options may be exercised by completing the attached notice and delivering it to the Corporate Secretary with a certified cheque or bank draft, payable to Evrim Resources Corp., in the amount determined to be sufficient to pay withholding taxes on behalf of the Participant as well as the exercise price of the shares.

The Option Agreement and the options evidenced hereby are not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Stock Option Plan, the terms and conditions of which the Participant hereby expressly agrees to be bound by.

**EVIRIM RESOURCES CORP.**

By: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
**[INSERT PARTICIPANT]**

**SCHEDULE A  
NOTICE OF STOCK OPTION EXERCISE**

I hereby exercise \_\_\_\_\_ options at \$ \_\_\_\_\_ per common share (“Common Share”)

**Register the Common Shares as set forth below:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Account reference, if applicable)

\_\_\_\_\_  
(Address)  
\_\_\_\_\_

**Deliver the Common Shares as set forth below:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Account reference, if applicable)

\_\_\_\_\_  
(Contact Name)

\_\_\_\_\_  
(Address)  
\_\_\_\_\_

I confirm that at the time of exercise of the options I am, or have been within the past 90 days, a bona fide

- director;
- senior officer;
- employee; or
- Consultant.

I have attached a certified cheque or bank draft in the amount of \$ \_\_\_\_\_.

\_\_\_\_\_  
Signature of Participant



**APPENDIX "B"**

**SHAREHOLDER RIGHTS PLAN**

**SHAREHOLDER RIGHTS PLAN AGREEMENT**

**DATED AS OF**

**JULY 16, 2018**

**BETWEEN**

**EVIRIM RESOURCES CORP.**

**AND**

**COMPUTERSHARE INVESTOR SERVICES INC.**

**AS RIGHTS AGENT**

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## SHAREHOLDER RIGHTS PLAN AGREEMENT

**MEMORANDUM OF AGREEMENT** dated July 16, 2018 between Evrim Resources Corp. (the “**Corporation**”), a company existing under the laws of British Columbia, and Computershare Investor Services Inc., a company existing under the laws of Canada (the “**Rights Agent**”);

**WHEREAS** in order to maximize shareholder value the Board of Directors (as herein defined) has determined that it is advisable for the Corporation to adopt a shareholder rights plan;

**AND WHEREAS** in order to implement the adoption of a shareholder rights plan as established by this Agreement, the Board of Directors:

- (a) authorized the issuance, effective at the Effective Time (as hereinafter defined), of one Right (as hereinafter defined) in respect of each Voting Share (as hereinafter defined) outstanding at the Effective Time (the “**Record Time**”); and
- (b) authorized the issuance of one Right in respect of each Voting Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time;

**AND WHEREAS** each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth in this Agreement;

**AND WHEREAS** the Corporation desires to confirm its appointment of the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to in this Agreement;

**NOW THEREFORE**, in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) “**Acquiring Person**” means any Person who is the Beneficial owner of 20% or more of the outstanding Voting Shares; provided, however, that the term “Acquiring Person” shall not include:
  - (i) the Corporation or any Subsidiary of the Corporation;

- (ii) any Person who becomes the Beneficial owner of 20% or more of the outstanding Voting Shares as a result of one or any combination of
  - (A) an acquisition or redemption by the Corporation of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the proportionate number of Voting Shares Beneficially owned by such Person to 20% or more of the Voting Shares then outstanding,
  - (B) a Permitted Bid Acquisition,
  - (C) a Pro Rata Acquisition,
  - (D) an Exempt Acquisition, or
  - (E) a Convertible Security Acquisition;

provided, however, that if a Person becomes the Beneficial owner of 20% or more of the outstanding Voting Shares by reason of one or any combination of the operation of Paragraphs (A), (B), (C), (D) or (E) above and such Person thereafter becomes the Beneficial owner of more than an additional 1% of the number of outstanding Voting Shares (other than pursuant to one or more of any combination of Paragraphs (A), (B), (C), (D) or (E) above, as the case may be, then as of the date such Person becomes the Beneficial owner of such additional Voting Shares, as the case may be, such Person shall become an “Acquiring Person”;

- (iii) for a period of 10 calendar days after the Disqualification Date (as defined below), any Person who becomes the Beneficial owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on Section 1.1(g)(iv)(B) solely because such Person is making or has announced a current intention to make a Take-over Bid, either alone, through such Person’s Affiliates or Associates or by acting jointly or in concert with any other Person.

For the purposes of this definition, “Disqualification Date” means the first date of a public announcement of facts indicating that any Person is making or has announced a current intention to make a Take-over Bid, either alone, through such Person's Affiliates or Associates or by acting jointly or in concert with any other Person (which, for the purposes of this definition, shall include, without limitation a report asserting such facts filed pursuant to NI 62-103);

- (iv) an underwriter or member of a banking or selling group acting in such capacity that acquires 20% or more of the outstanding Voting Shares from the Corporation in connection with a distribution of securities of the Corporation; or

- (v) a Person (a “**Grandfathered Person**”) who is the Beneficial owner of 20% or more of the outstanding Voting Shares determined as at the Record Time, provided however, that this exception shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time: (1) cease to own more than 20% or more of the outstanding Voting Shares, or (2) become the Beneficial owner of any additional Voting Shares that increases its Beneficial ownership of Voting Shares by more than 1% of the number of Voting Shares outstanding as at the Record Time, other than through an acquisition pursuant to which a Person becomes a Beneficial Owner of additional Voting Shares by reason of one or any combination of the operation of Paragraphs 1.1(a)(ii)(A), (B), (C), (D) or (E).
- (b) “**Affiliate**”, when used to indicate a relationship with a specified Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such a specified Person;
- (c) “**Agreement**” means this shareholder rights plan agreement dated July 16, 2018, as amended, modified or supplemented from time to time; “hereof”, “herein”, “hereto” and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;
- (d) “**annual cash dividend**” means cash dividends paid in any fiscal year of the Corporation, to the extent that such cash dividends do not exceed in the aggregate, the greatest of:
  - (i) 200% of the aggregate amount of cash dividends declared payable by the Corporation on its Common Shares in its immediately preceding fiscal year;
  - (ii) 300% of the arithmetic mean of the aggregate amounts of the annual cash dividends declared payable by the Corporation on its Common Shares in its three immediately preceding fiscal years; and
  - (iii) 100% of the aggregate consolidated net Income of the Corporation, before extraordinary items, for its immediately preceding fiscal year;
- (e) “**Associate**” when used to indicate a relationship with a specified Person, means any relative of such specified Person who has the same home as such specified Person, or any Person to whom such specified Person is married or with whom such specified Person is living in a conjugal relationship outside marriage, or any relative of such spouse or other Person who has the same home as such specified Person;
- (f) “**BCBCA**” means the *Business Corporations Act* (British Columbia), SBC 2002, c. 57, and the regulations made thereunder and any comparable or successor laws or regulations thereto;

- (g) A Person shall be deemed the “**Beneficial owner**” of, and to have “**Beneficial ownership**” of, and to “**Beneficially own**”,
- (i) any securities of which such Person or any of such Person’s Affiliates or Associates is the owner at law or in equity;
  - (ii) any securities of which such Person or any of such Person’s Affiliates or Associates has, directly or indirectly, the right to become the owner at law or in equity (provided that such right is exercisable within a period of 60 days, whether or not on condition or the happening of any contingency or the making of any payment) pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing (other than customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a distribution of securities and other than pledges of securities in the ordinary course of business), or upon the exercise of any conversion right, exchange right, share purchase right (other than the Rights), warrant or option;
  - (iii) any securities which are subject to a lock-up or similar agreement to tender or deposit them into any Take-over Bid made by such Person or made by any Affiliate or Associate of such Person or made by any other Person acting jointly or in concert with such Person; and
  - (iv) any securities which are Beneficially owned within the meaning of Sections 1.1(g)(i),(ii) or (iii) by any other Person with whom such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the “Beneficial owner” of, or to have “Beneficial ownership” of, or to “Beneficially own”, any security as a result of the existence of any one or more of the following circumstances:

- (A) such security has been agreed to be deposited or tendered pursuant to a Lock-up Agreement or is otherwise deposited or tendered pursuant to any Take-over Bid made by such Person, made by any of such Person’s Affiliates or Associates or made by any other Person referred to in Section 1.1(g)(iv), unless such deposited or tendered security has been taken up or paid for, whichever shall occur first;
- (B) such Person, any of such Person’s Affiliates or Associates or any other Person referred to in Section 1.1(g)(iv) holds such security provided that,
  - (1) the ordinary business of any such Person (the “**Investment Manager**”) includes the management of investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans) and such security is held by the Investment



Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person (a "**Client**"), including non-discretionary accounts held on behalf of a Client by a dealer or broker registered under applicable law;

- (2) such Person is (i) the manager or trustee (the "**Manager**") of a mutual fund (a "**Mutual Fund**") that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada or the laws of the United States and such security is held in the ordinary course of business in the performance of the Manager's duties with respect to the Mutual Fund, or (ii) a Mutual Fund;
- (3) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an "**Estate Account**") or in relation to other accounts (each an "**Other Account**") and holds such security in the ordinary course of such duties for such Estate Accounts or for such Other Accounts;
- (4) such Person is an independent Person established by statute for purposes that include, and the ordinary business or activity of such Person (the "**Statutory Body**") includes, the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies and the Statutory Body holds such securities for the purposes of its activities as such;
- (5) such Person (the "**Administrator**") is the administrator or trustee of one or more pension funds, plans or related trusts (a "**Plan**") or is a Plan registered or qualified under the laws of Canada or any Province thereof or the laws of the United States of America or any state thereof or is a Plan and holds such securities for the purposes of its activities as Administrator or as a Plan; or
- (6) such Person is a Crown agent or agency;

provided, in any of the above cases, that the Investment Manager, the Manager, the Mutual Fund, the Trust Company, the Statutory Body, the Administrator, the Plan, or the Crown agent or agency, as the case may be, is not then making a Take-over Bid or has not then announced an intention to make a Take-over Bid other than an Offer to Acquire Voting Shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of

such Person) executed through the facilities of a stock exchange or organized over-the-counter market, alone or by acting jointly or in concert with any other Person;

- (C) such Person or any other person acting jointly or in concert with such Person
  - (1) is a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, (2) has an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security or (3) is a Plan with the same Administrator as another Plan on whose account the Administrator holds such security;
- (D) such Person or any other person acting jointly or in concert with such Person
  - (1) is a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (2) has an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or (3) is a Plan and such security is owned at law or in equity by the Administrator of the Plan; or
- (E) such Person is a registered holder of such security as a result of carrying on the business of, or acting as a nominee of, a securities depository;
- (h) **“Board of Directors”** means the board of directors of the Corporation or any duly constituted and empowered committee thereof;
- (i) **“Book Entry Form”** means, in reference to securities, securities that have been issued and registered in uncertificated form that are evidenced by an advice or other statement and which are maintained electronically on the records of the Corporation’s transfer agent, but for which no certificate has been issued;
- (j) **“Book Entry Rights Exercise Procedures”** has the meaning ascribed thereto in Section 2.2(c)
- (k) **“Business Day”** means any day other than a Saturday, Sunday or a day on which banking institutions in Vancouver, British Columbia are authorized or obligated by law to close;
- (l) **“Canadian Dollar Equivalent”** of any amount which is expressed in United States Dollars means, on any date, the Canadian dollar equivalent of any such amount determined by multiplying such amount by the U.S. - Canadian Exchange Rate in effect on such date;

- (m) “**Canadian - U.S. Exchange Rate**” means, on any date, the inverse of the U.S. - Canadian Exchange Rate in effect on such date;
- (n) “**close of business**” on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the principal office in Vancouver, British Columbia of the transfer agent for the Common Shares of the Corporation (or, after the Separation Time, the principal office in Vancouver, British Columbia of the Rights Agent) is closed to the public, *provided, however*, that for the purposes of the definition of “Competing Bid” and the definition of “Permitted Bid”, “close of business” on any date means 11:59 p.m. (local time, at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time, at the place of deposit) on the next succeeding Business Day);
- (o) “**Common Shares**” means the common shares in the capital of the Corporation;
- (p) “**Competing Permitted Bid**” means a Take-over Bid that:
  - (i) is made after a Permitted Bid has been made and prior to the expiry of that other Permitted Bid;
  - (ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in Clause (ii)(A) of the definition of a Permitted Bid; and
  - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified conditions that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid;
- (q) “**controlled**” a Person is “**controlled**” by another Person or two or more Persons acting jointly or in concert if:
  - (i) securities entitled to vote in the election of directors (including, for Persons other than corporations, the administrators, managers, trustees or other individuals performing similar functions in respect of any such Person) carrying more than 50% of the votes for the election of directors are held, directly or indirectly, other than by way of security only, by or on behalf of the other Person or two or more Persons acting jointly or in concert; and
  - (ii) the votes carried by such securities are entitled, if exercised, to elect, appoint or designate a majority of the board of directors of such company or corporation;

and “controls”, “controlling” and “under common control with” shall be interpreted accordingly;

- (r) **“Convertible Securities”** means, at any time, any securities issued by the Corporation (including rights, warrants and options) carrying any purchase, exercise, conversion or exchange right, pursuant to which the holder thereof may acquire Shares or other securities convertible into or exercisable or exchangeable for Voting Shares (in each case, whether such right is exercisable immediately or after a specified period and whether or not on condition or the happening of any contingency).
- (s) **“Convertible Security Acquisition”** means the acquisition of Voting Shares upon the exercise of Convertible Securities acquired by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition.
- (t) **“Co-Rights Agents”** has the meaning ascribed thereto in Section 4.1(a);
- (u) **“Disposition Date”** has the meaning ascribed thereto in Section 5.1(a);
- (v) **“Dividend Reinvestment Acquisition”** means an acquisition of Voting Shares of any class pursuant to a Dividend Reinvestment Plan;
- (w) **“Dividend Reinvestment Plan”** means a regular dividend reinvestment or other program or plan of the Corporation made available by the Corporation to holders of its securities and/or to holders of securities of a Subsidiary of the Corporation, where such program or plan permits the holder to direct that some or all of:
  - (i) any dividends paid in respect of shares of any class of the Corporation or a Subsidiary;
  - (ii) any proceeds of redemption of shares of the Corporation or a Subsidiary;
  - (iii) any interest paid on evidences of indebtedness of the Corporation or a Subsidiary; or
  - (iv) any optional cash payments;
 be applied to the purchase of Voting Shares;
- (x) **“Effective Time”** means the close of business on the date of this Agreement.
- (y) **“Election to Exercise”** has the meaning ascribed thereto in Section 2.2(d);
- (z) **“Exempt Acquisition”** means an acquisition of Beneficial ownership of Voting Shares or Convertible Securities by a Person:
  - (i) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Sections 5.1(a) (b) or (f); or

- (ii) pursuant to an amalgamation, plan of arrangement or other statutory procedure having similar effect which has been approved by the Board of Directors and the holders of Shares by the requisite majority or majorities of the holders of Shares at a meeting duly called and held for such purpose in accordance with the provisions of the BCBCA, the articles of the Corporation and any other applicable legal requirements; or
  - (iii) pursuant to a distribution to the public by the Corporation of Voting Shares or Convertible Securities made pursuant to a prospectus or private placement provided that the Person in question does not thereby acquire a greater percentage of Voting Shares representing the right to acquire Voting Shares than the percentage of Voting Shares such Person Beneficially owned immediately prior to such acquisition;
- (aa) **“Exercise Price”** means, as of any date, the price at which a holder of a Right may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be \$90;
  - (bb) **“Expansion Factor”** has the meaning ascribed thereto in Section 2.3(a);
  - (cc) **“Expiration Time”** means the close of business on that date which is the earliest date of termination of this Agreement as provided for in Section 5.15 or, if this Agreement is confirmed and subsequently reconfirmed pursuant to Section 5.15 at the third and sixth annual meeting following the Corporation’s annual and special meeting of the shareholders in 2018, upon the conclusion of the Corporation’s annual meeting of shareholders in 2027;
  - (dd) **“Flip-in Event”** means a transaction in or pursuant to which any Person becomes an Acquiring Person;
  - (ee) **“holder”** has the meaning ascribed thereto in Section 2.8;
  - (ff) **“Independent Shareholders”** means holders of any Voting Shares, other than
    - (i) any Acquiring Person,
    - (ii) any Offeror (other than any Person who pursuant to Section 1.1(g) is not deemed to Beneficially own the Voting Shares held by such Person),
    - (iii) any Affiliate or Associate of any Acquiring Person or Offeror,
    - (iv) any Person acting jointly or in concert with any Acquiring Person or Offeror, and
    - (v) any employee benefit plan, stock purchase plan, deferred profit sharing plan and any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or withheld from voting or direct whether the Voting Shares are to be tendered to a Take-over Bid;

- (gg) **“Lock-up Agreement”** means an agreement between a Person and one or more holders of Voting Shares or Convertible Securities (each a **“Locked-up Person”**) the terms of which are publicly disclosed and a copy of which agreement is made available to the public (including the Corporation) not later than (i) the date the Lock-up Bid (as defined below) is publicly announced or, (ii) if the Lock-up Bid has been made prior to the date on which such agreement is entered into then as soon as possible after it is entered into and in any event not later than the date following the date of such agreement, pursuant to which each Locked-up Person agrees to deposit or tender Voting Shares or Convertible Securities to a Take-over Bid (the **“Lock-up Bid”**) to be made or made by the Person or any of such Person’s Affiliates or Associates or any other Person referred to in Section 1.1(g)(iv) and which provides:
- (i) that any agreement to deposit or tender to, or to not withdraw Voting Shares or Convertible Securities from, the Lock-up Bid is terminable at the option of the Locked-up Person in order to tender or deposit such Voting Shares or Convertible Securities to another Take-over Bid or support another transaction:
    - (A) where the price or value per Voting Share or Convertible Security offered under such other Take-over Bid or transaction is higher than the price or value per Voting Share or Convertible Security offered under the Lock-up Agreement; or
    - (B) if:
      - (1) the price or value per Voting Share or Convertible Security offered under the other Take-over Bid or transaction exceeds the price or value per Voting Share or Convertible Security offered or proposed to be offered under the Lock-up Bid by as much or more than a specified amount (the **“Specified Amount”**) and the Specified Amount is not greater than 7% of the price or value per Voting Share or Convertible Security that is offered or proposed to be offered under the Lock-up Bid; or
      - (2) the number of Voting Shares or Convertible Securities to be purchased under the other Take-over Bid or transaction exceeds the number of Voting Shares offered to be purchased under the Lock-up Bid by as much or more than a specified number of Voting Shares (the **“Specified Number of Shares”**) and the Specified Number of Shares is not greater than 7% of the number of Voting Shares offered to be purchased under the Lock-up Bid, at a price or value per Voting Share or Convertible Security, as applicable, that is not less than the price or value per Voting Share or Convertible Security offered under the Lock-up Bid;

and the agreement may contain a right of first refusal or require a period of delay to give such Person an opportunity to match a higher price or value in another Take-over Bid or transaction or other similar limitation on a Locked-up Person's right to withdraw Voting Shares or Convertible Securities from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares or Convertible Securities during the period of the other Take-over Bid or transaction; and

- (ii) no "break-up" fees, "top-up" fees, penalties, expenses or other amounts that exceed in the aggregate the greater of:
  - (A) the cash equivalent of 2.5% of the price or value payable under the Lock-up Bid to a Locked-up Person; and
  - (B) 50% of the amount by which the price or value payable under another Take-over Bid or transaction to a Locked-up Person exceeds the price or value of

the consideration that such Locked-up Person would have received under the Lock-up Bid,

shall be payable by a Locked-up Person pursuant to the agreement in the event a Locked-up Person fails to deposit or tender Voting Shares or Convertible Securities to the Lock-up Bid or withdraws Voting Shares or Convertible Securities previously tendered thereto in order to tender to another Take-over Bid or support another transaction;

- (hh) "**Market Price**" per share of any securities on any date of determination means the average of the daily closing sale prices per security of such class of securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing sale prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing sale price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing sale price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing sale price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing sale price per security of any securities on any date shall be:
  - (i) the closing board lot sale price per security or, if such price is not available, the average of the closing bid and asked prices, for each of such

securities as reported by the principal Canadian securities exchange (as determined by volume of trading) on which such securities are listed or admitted to trading;

- (ii) if for any reason none of such prices are available on such date or the securities are not listed or admitted to trading on a Canadian securities exchange or a United States securities exchange, the last sale price or, in case no sale takes place on such date, the average of the high bid and low asked prices for each of such securities in the over-the-counter market, as quoted by any reporting system then in use (as determined by the Board of Directors); or
- (iii) if for any reason none of such prices are available on such day or the securities are not listed or admitted to trading on a Canadian securities exchange or a United States securities exchange or quoted by any such reporting system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors;

provided, however, that if on any such date none of such prices is available, the closing sale price per security of such securities on such date shall mean the fair value per security of the securities on such date as determined by a nationally or internationally recognized investment dealer or investment banker and provided further that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused any price used to determine the Market Price on any Trading Day not to be fully comparable with the price as so determined on the Trading Day immediately preceding such date of determination, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price on the Trading Day immediately preceding such date of determination. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars on such date at the Canadian Dollar Equivalent thereof; and

- (ii) “**NI 62-103**” means *National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* adopted by the Canadian securities regulatory authorities;
- (jj) “**NI 62-104**” means *National Instrument 62-104 – Take-Over Bids and Issuer Bids* and any comparable or successor laws, instruments or rules thereto;
- (kk) “**Nominee**” has the meaning ascribed thereto in Section 2.2(c);
- (ll) “**Offer to Acquire**” includes:



- (i) an offer to purchase or a solicitation of an offer to sell Voting Shares or Convertible Securities of any class or classes, and
  - (ii) an acceptance of an offer to sell Voting Shares or Convertible Securities of any class or classes, whether or not such offer to sell has been solicited, or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;
- (mm) “**Offeror**” means a Person who has announced, and has not withdrawn, an intention to make or who has made, and has not withdrawn, a Take-over Bid, other than a Person who has completed a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition;
- (nn) “**Offeror’s Securities**” means Voting Shares Beneficially owned by an Offeror on the date of the Offer to Acquire;
- (oo) “**Permitted Bid**” means a Take-over Bid made by an Offeror that is made by means of a Take-over Bid circular and which also complies with the following additional provisions:
- (i) the Take-over Bid is made to all holders of record of Voting Shares, other than the Offeror;
  - (ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid:
    - (A) prior to the close of business on a date which is not less than 105 days following the date of the Take-over Bid or such shorter minimum period as determined in accordance with section 2.28.2 or section 2.28.3 of NI 62-104 for which a Take-Over Bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposit of securities thereunder; and
    - (B) unless at the close of business on the date Voting Shares are first taken up or paid for under such Take-over Bid, more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
  - (iii) the Take-over Bid contains an irrevocable and unqualified provision that, unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period described in Section 1.1(oo)(ii)(A) and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and

- (iv) the Take-over Bid contains an irrevocable and unqualified provision that, unless the Take-over Bid is withdrawn, in the event that the deposit condition set forth in Section 1.1(oo)(ii)(B) is satisfied the Offeror will make a public announcement of that fact and the Take-over Bid will be extended for a period of not less than 10 Business Days from the date of such public announcement;
- (pp) **“Permitted Bid Acquisition”** means an acquisition of Voting Shares of any class made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (qq) **“Person”** includes an individual, firm, association, trustee, executor, administrator, legal or personal representative, body corporate, company, corporation, trust, partnership, limited partnership, joint venture, syndicate or other form of unincorporated association, a government and its agencies or instrumentalities, any entity or group (whether or not having legal personality), any successor (by merger, statutory amalgamation or otherwise) and any of the foregoing acting in any derivative, representative or fiduciary capacity;
- (rr) **“Pro Rata Acquisition”** means an acquisition of Voting Shares or Convertible Securities by a Person pursuant to:
  - (i) a Dividend Reinvestment Acquisition;
  - (ii) a stock dividend, stock split or other event in respect of securities of one or more particular classes or series of the Corporation pursuant to which such Person becomes the Beneficial owner of Voting Shares or Convertible Securities on the same pro rata basis as all other holders of securities of the particular class or series;
  - (iii) any other event pursuant to which all holders of Voting Shares are entitled to receive Voting Shares or Convertible Securities on a pro rata basis; including pursuant to the receipt and/or exercise of rights issued by the Corporation to all the holders of a class of Voting Shares to subscribe for or purchase Voting Shares or Convertible Securities, provided that such rights are acquired directly from the Corporation as part of a rights offering and not from any other Person and provided that the Person does not thereby acquire a greater percentage of Voting Shares or securities convertible or exchangeable for Voting Shares, than the Person’s percentage of Voting Shares Beneficially owned immediately prior to such receipt or exercise; or
  - (iv) a distribution by the Corporation of Voting Shares, or securities convertible into or exchangeable for Voting Shares (and the conversion or exchange of such convertible or exchangeable securities) made pursuant to a prospectus or a distribution by way of private placement by the Corporation, provided that the Person does not thereby acquire a greater percentage of Voting Shares of that class or securities convertible or exchangeable for Voting Shares, than the Person’s percentage of Voting Shares Beneficially owned immediately prior to such acquisition;

- (ss) “**Record Time**” has the meaning set forth in the recitals to this Agreement;
- (tt) “**Redemption Price**” has the meaning set forth in Section 5.1(c) of this Agreement;
- (uu) “**Right**” means a right to purchase a Common Share of the Corporation, upon the terms and subject to the conditions set forth in this Agreement;
- (vv) “**Rights Agent**” means Computershare Investor Services Inc., a company governed under the laws of Canada or any successor Rights Agent appointed pursuant to Section 4.4;
- (ww) “**Rights Certificate**” means the certificates representing the Rights after the Separation Time, which shall be substantially in the form attached hereto as Attachment 1;
- (xx) “**Rights Holders’ Special Meeting**” means a meeting of the holders of Rights called by the Board of Directors for the purpose of approving a supplement or amendment to this Agreement pursuant to Section 5.4(c);
- (yy) “**Rights Registers**” and “**Rights Registrar**” have the meaning set forth in Section 2.7(a) of this Agreement;
- (zz) “**Securities Act**” means the *Securities Act* (British Columbia), RSBC 1996, c. 418, as amended, and the regulations and rules thereunder, and any comparable or successor laws or regulations or rules thereto;
- (aaa) “**Separation Time**” means the close of business on the tenth Trading Day after the earlier of:
  - (i) the Stock Acquisition Date;
  - (ii) the date of the commencement of or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, as the case may be); and
  - (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such, or such later date as may be determined by the Board of Directors, provided that, if any such Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been made;
- (bbb) “**Special Meeting**” means a special meeting of the holders of Voting Shares, called by the Board of Directors for the purpose of approving a supplement, amendment or variation to this Agreement pursuant to Section 5.4(b) or Section 5.4(c);

- (ccc) “**Stock Acquisition Date**” means the first date of public announcement by the Corporation or an Acquiring Person of facts indicating that an Acquiring Person has become such;
- (ddd) “**Subsidiary**” - a corporation is a Subsidiary of another corporation if:
- (i) it is controlled by:
    - (A) that other, or
    - (B) that other and one or more Persons each of which is controlled by that other, or
    - (C) two or more Persons each of which is controlled by that other, or
  - (ii) it is a Subsidiary of a Person that is that other’s Subsidiary;
- (eee) “**Take-over Bid**” means an Offer to Acquire Voting Shares or Convertible Securities if, assuming that the Voting Shares or Convertible Securities subject to the Offer to Acquire are acquired and are Beneficially Owned at the date of such Offer to Acquire by the Person making such Offer to Acquire, such Voting Shares (including Voting Shares that may be acquired upon conversion of Convertible Securities) together with the Offeror’s Securities constitute in the aggregate 20% or more of the outstanding Voting Shares at the date of the offer to Acquire;
- (fff) “**Trading Day**”, when used with respect to any securities, means a day on which the principal Canadian securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian securities exchange, a Business Day;
- (ggg) “**U.S. - Canadian Exchange Rate**” means, on any date:
- (i) if on such date the Bank of Canada sets a daily exchange rate for the conversion of one United States dollar into Canadian dollars, such rate; and
  - (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars calculated in such manner as may be determined by the Board of Directors from time to time acting in good faith;
- (hhh) “**U.S. Dollar Equivalent**” of any amount which is expressed in Canadian dollars means, on any date, the United States dollar equivalent of such amount determined by multiplying such amount by the Canadian - U.S. Exchange Rate in effect on such date;
- (iii) “**Voting Shares**” means the Common Shares of the Corporation and any other shares in the capital of the Corporation entitled to vote in the election of directors.

## **1.2 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

## **1.3 Headings**

The division of this Agreement into Articles, Sections, Paragraphs, or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

## **1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Shares**

For purposes of this Agreement, the percentage of Voting Shares of any class Beneficially owned by any Person, shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times A/B$$

where:

- A = the number of votes for the election of all directors on the Board of Directors generally attaching to the Voting Shares of that class Beneficially owned by such Person; and
- B = the number of votes for the election of all directors on the Board of Directors generally attaching to all outstanding Voting Shares of such class.

Where any Person is deemed to Beneficially own unissued Voting Shares, such Voting Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Voting Shares owned by such Person.

## **1.5 Acting Jointly or in Concert**

For purposes of this Agreement, a Person is acting jointly or in concert with every Person who, as a result of any agreement, commitment or understanding whether formal or informal, and whether or not in writing, with the first Person or any Associate or Affiliate of the first Person, acquires or makes an offer to acquire Voting Shares or Convertible Securities (other than customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a public offering or private placement of securities or pledges of securities in the ordinary course of business).

## **ARTICLE 2 RIGHTS**

### **2.1 Legend on Common Share Certificates**

Common Share certificates that are issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall evidence, in addition to Common Shares, one

Right for each Common Share represented thereby and shall have impressed on, printed on, written on or otherwise affixed to them a legend in substantially the following form:

Until the Separation Time (defined in the Shareholder Rights Plan Agreement referred to below), this certificate also evidences rights of the holder described in a Shareholder Rights Plan Agreement, dated July 16, 2018 (the “**Shareholder Rights Plan Agreement**”), between the Corporation and Computershare Investor Services Inc. as amended from time to time, the terms of which are incorporated herein by reference and a copy of which is on file at the principal executive offices of the Corporation. Under certain circumstances set out in the Shareholder Rights Plan Agreement, the rights may be amended, redeemed, may expire, may become null and void or may be evidenced by separate certificates and no longer evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Shareholder Rights Plan Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.

Any Common Shares issued and registered in Book Entry Form (that are evidenced by an advice or other statement on which are maintained electronically the records of the transfers) after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall evidence, in addition to the Common Shares, one Right for each Common Share represented by such registration and the registration record of such Common Shares shall include the foregoing legend, adapted accordingly as the Rights Agent may reasonably require.

Common Shares (both registered in Book Entry Form or for which share certificates have been issued) that are issued and outstanding at the Record Time, which as at the Effective Time represent Common Shares, shall also evidence one Right for each Common Share evidenced thereby, notwithstanding the absence of the foregoing legend, until the earlier of the Separation Time and the Expiration Time.

## **2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights**

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Common Share for the Exercise Price (with the Exercise Price and number of Common Shares being subject to adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.
- (b) Until the Separation Time,
  - (i) the Rights shall not be exercisable and no Right may be exercised; and
  - (ii) each Right will be evidenced by the certificate for the associated Common Share of the Corporation registered in the name of the holder thereof (which certificate shall also be deemed to represent a Rights Certificate) or by the Book Entry Form registration for the associated Common Shares

and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.

- (c) From and after the Separation Time and prior to the Expiration Time:
  - (i) the Rights shall be exercisable; and
  - (ii) the registration and transfer of Rights shall be separate from and independent of Common Shares.

Promptly following the Separation Time, the Corporation will determine whether it wishes to issue Rights Certificates or whether it will maintain the Rights in Book Entry Form. In the event that the Corporation determines to maintain Rights in Book Entry Form, it will put in place such alternative procedures as are directed by the Rights Agent for the Rights to be maintained in Book Entry Form (the “**Book Entry Rights Exercise Procedures**”), it being hereby acknowledged that such procedures shall, to the greatest extent possible, replicate in all substantive respects the procedures set out in this Agreement with respect to the exercise of the Rights Certificates and that the procedures set out in this Agreement shall be modified only to the extent necessary, as determined by the Rights Agent, to permit the Corporation to maintain the Rights in Book Entry Form. In such event, the Book Entry Rights Exercise Procedures shall be deemed to replace the procedures set out in this Agreement with respect to the exercise of Rights and all provisions of this Agreement referring to Rights Certificates shall be applicable to Rights registered in Book Entry Form in like manner as to Rights in certificated form.

In the event the Corporation determines to issue a Rights Certificate, it will prepare and the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time (other than an Acquiring Person, any other Person whose Rights are or become void pursuant to the provisions of Section 3.1(b) and, in respect of any Rights Beneficially owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a “**Nominee**”), at such holder’s address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

- (x) a Rights Certificate in substantially the form set out in Attachment 1 hereof appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or judicial or administrative order or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and
- (y) a description of the Rights,

provided that a Nominee shall be sent the materials provided for in (x) and (y) in respect of all Common Shares held of record by it which are not Beneficially owned by an Acquiring Person. In order for the Corporation to determine whether any Person is holding Common Shares which are Beneficially owned by another Person, the

Corporation may require such first mentioned Person to furnish such information and documentation as the Corporation deems necessary or appropriate in order to make such determination.

- (d) Rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent in the manner specified in the Rights Certificate:
  - (i) the Rights Certificate evidencing such Rights;
  - (ii) an election to exercise such Rights (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate or as determined appropriate for Book Entry Form appropriately completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
  - (iii) payment by certified cheque, banker’s draft or money order payable to the order of the Corporation, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.
- (e) In the event that the Corporation determines to issue a Rights Certificate, then upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Section 2.2(d)(ii), which does not indicate that such Right is null and void as provided by Section 3.1(b), and payment as set forth in Section 2.2(d)(iii), the Rights Agent (unless otherwise instructed by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:
  - (i) direct the transfer agent to register, in the name of the holder of the Rights being exercised or in such other name as may be designated by such holder, in Book Entry Form the number of such Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agents to comply with all such requisitions);
  - (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares;
  - (iii) after receipt of confirmation from the transfer agent that the registration, in Book Entry Form, referred to in Section 2.2(e)(i) has been completed, deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder;



- (iv) when appropriate, after receipt, deliver the cash referred to in Section 2.2(e)(ii) to or to the order of the registered holder of such Rights Certificate; and
  - (v) tender to the Corporation all payments received on the exercise of the Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Section 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees that it will:
- (i) take all such action as may be necessary and within its power to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of registration in Book Entry Form of such Common Shares (subject to payment of the Exercise Price), be duly authorized, validly issued and fully paid and non-assessable;
  - (ii) take all such action as may be necessary and within its power to comply with the provisions of Section 3.1 including all actions necessary to comply with the requirements of the BCBCA, the *Securities Act* and the securities laws or comparable legislation of each of the provinces of Canada and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Common Shares upon exercise of Rights;
  - (iii) use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on the principal stock exchanges on which such Common Shares were traded immediately prior to the Stock Acquisition Date;
  - (iv) pay when due and payable, if applicable, any and all Canadian and United States federal, provincial, state and municipal transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or the registration in Book Entry Form of Common Shares to be issued upon exercise of any Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the registration in Book Entry Form of Common Shares in a name other than that of the holder of the Rights being transferred or exercised; and
  - (v) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken

it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

### **2.3 Adjustments to Exercise Price; Number of Rights**

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:
- (i) declare or pay a dividend on Common Shares payable in Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Corporation) other than pursuant to any Dividend Reinvestment Plan;
  - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
  - (iii) consolidate or change the then outstanding Common Shares into a smaller number of Common Shares; or
  - (iv) issue any Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Corporation) in respect of, in lieu of or in exchange for existing Common Shares except as otherwise provided in this Section 2.3,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights, shall be adjusted as of the payment or effective date in the manner set forth below. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1(a), the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required under Section 3.1(a).

If the Exercise Price and number of Rights outstanding are to be adjusted:

- (x) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other capital stock) (the "Expansion Factor") that a holder of one Common Share immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter as a result thereof; and
- (y) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor,

and the adjusted number of Rights will be deemed to be distributed among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, consolidation or issuance, so that each such Common Share (or other capital stock) will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter after giving full effect to such dividend, subdivision, change, consolidation or issuance.

If, after the Record Time and prior to the Expiration Time, the Corporation shall issue any shares of capital stock other than Common Shares in a transaction of a type described in Section 2.3(a)(i) or (iv), shares of such capital stock shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in this Section 2.3(a), each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such associated Common Share.

- (b) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price, including the price required to be paid to purchase such convertible or exchangeable security or right per share) less than the Market Price per Common Share on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
  - (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be

offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights) would purchase at such Market Price per Common Share; and

- (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Common Shares (or securities convertible into, or exchangeable or exercisable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to a Dividend Reinvestment Plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in all such cases, the right to purchase Common Shares is at a price per share of not less than 90% of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the making of a distribution to all holders of Common Shares (including any such distribution made in connection with a merger, amalgamation, arrangement, plan, compromise or reorganization in which the Corporation is the continuing or successor Corporation) of evidences of indebtedness, cash (other than a regular periodic cash dividend or a dividend referred to in Section 2.3(a)(i), but including any dividend payable in securities other than Common Shares), assets or rights, options or warrants (excluding those referred to in Section 2.3(b) hereof), the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
  - (i) the numerator of which shall be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be described in a

statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights), on a per share basis, of the portion of the cash, assets, evidences of indebtedness, rights, options or warrants so to be distributed; and

- (ii) the denominator of which shall be such Market Price per Common Share.

Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such a distribution is not so made, the Exercise Price shall be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed.

- (d) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided, however, that any adjustments which by reason of this Section 2.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a share. Notwithstanding the first sentence of this Section 2.3(d), any adjustment required by Section 2.3 shall be made no later than the earlier of:
  - (i) three years from the date of the transaction which gives rise to such adjustment; or
  - (ii) the Expiration Time.
- (e) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any shares of capital stock (other than Common Shares), or rights, options or warrants to subscribe for or purchase any such capital stock, or securities convertible into or exchangeable for any such capital stock in a transaction referred to in Sections 2.3(a)(i) or (iv) above, if the Board of Directors acting in good faith determines that the adjustments contemplated by Sections 2.3(a), (b) and (c) above in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Sections 2.3(a), (b) and (c) above, such adjustments, rather than the adjustments contemplated by Sections 2.3(a), (b) and (c) above, shall be made, subject to the prior consent of the holders of the Voting Shares or the Rights as set forth in Section 5.4(b) or (c), and the Corporation and the Rights Agent shall have authority upon receiving such prior consent of the holders of the Voting Shares to amend this Agreement as appropriate to provide for such adjustments.
- (f) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided for herein.

- (g) Irrespective of any adjustment or change in the Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Common Share and the number of Common Shares which were expressed in the initial Rights Certificates issued hereunder.
- (h) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.
- (i) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors shall determine to be advisable, in order that any:
  - (i) consolidation or subdivision of Common Shares;
  - (ii) issuance (wholly or in part for cash) of Common Shares or securities that by their terms are convertible into or exchangeable for Common Shares;
  - (iii) stock dividends; or
  - (iv) issuance of rights, options or warrants referred to in this Section 2.3, hereafter made by the Corporation to holders of its Common Shares, shall not be taxable to such shareholders.
- (j) If, as a result of an adjustment made pursuant to Section 3.1, the holder of any Right thereafter exercised shall become entitled to receive any securities other than Common Shares, thereafter the number of such other securities so receivable upon exercise of any Right and the applicable Exercise Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as may be practicable to the provisions with respect to the Common Shares contained in the foregoing subsections of this Section 2.4 and the provisions of this Agreement with respect to the Common Shares shall apply on like terms to any such other securities.
- (k) Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon the exercise of Rights is made pursuant to this Section 2.3, the Corporation shall promptly:

- (i) prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment;
- (ii) file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate; and
- (iii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights.

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

#### **2.4 Date on Which Exercise Is Effective**

Each Person in whose name a registration in Book Entry Form for Common Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares or other securities, if applicable, represented thereon, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Section 2.2(d) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

#### **2.5 Execution, Authentication, Delivery and Dating of Rights Certificates**

Rights will be evidenced, in the case of Rights in Book Entry Form, by a statement issued under the Rights Agent's direct registration system, or alternatively, if the Corporation determines to issue Rights Certificates, by the following procedures:

- (a) The Rights Certificates shall be executed on behalf of the Corporation by any two of its Chairman, President and Chief Executive Officer or its Chief Financial Officer. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.
- (b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver the Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (in a manner satisfactory to the Corporation) and send such Rights Certificates to the holders of the Rights

pursuant to Section 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.

- (c) Each Rights Certificate shall be dated the date of countersignature thereof.

## 2.6 Registration, Transfer and Exchange

- (a) The Corporation will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the “**Rights Registrar**”) for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(c), the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered. Alternatively, in the case of the exercise of Rights in Book Entry Form, the Rights Agent shall provide the holder or the designated transferee or the transferees with one or more statements issued under the Rights Agent’s direct registration system evidencing the same aggregate number of Rights as did the direct registration system’s records for the Rights transferred or exchanged.

- (b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) The Corporation shall not be required to register the transfer or exchange of any Rights after the Rights have been terminated pursuant to the provisions of this Agreement.



## **2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates**

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time:
  - (i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and
  - (ii) such security and indemnity as may be reasonably required by them to save each of them and any of their agents harmless,

then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon the Corporation's request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

## **2.8 Persons Deemed Owners of Rights**

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term "holder" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, of the associated Common Share).

## **2.9 Delivery and Cancellation of Certificates**

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the

Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

## **2.10 Agreement of Rights Holders**

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share certificate representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);
- (f) that without the approval of any holder of Rights or Voting Shares and upon the sole authority of the Board of Directors acting in good faith, this Agreement may be supplemented or amended from time to time pursuant to Section 5.4(a) and the last sentence of the penultimate paragraph of Section 2.3(a); and
- (g) that notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or to any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a

government, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

## **2.11 Rights Certificate Holder Not Deemed a Shareholder**

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share or any other share or security of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of Common Shares or any other shares or securities of the Corporation or any right to vote at any meeting of shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to holders of Common Shares or any other shares of the Corporation at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Common Shares or any other shares of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

## **ARTICLE 3**

### **ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS**

#### **3.1 Flip-in Event**

- (a) Subject to Section 3.1(b) and Section 5.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, then each Right shall constitute, effective at the close of business on the tenth Trading Day (or such longer period as may be required to satisfy the requirements of the *Securities Act* and any comparable legislation of any other applicable jurisdiction after the Stock Acquisition Date, the right to purchase from the Corporation, upon exercise of the Right in accordance with the terms of this Agreement, that number of Common Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after the consummation or occurrence or event, an event of a type analogous to any of the events described in Section 2.3 shall have occurred);
- (b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:
  - (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or

- (ii) a transferee or other successor in title of Rights, directly or indirectly, from an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), where such transferee or successor in title becomes a transferee or successor in title concurrently with or subsequent to the Acquiring Person becoming such in a transfer that the Board of Directors acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of an Acquiring Person), that has the purpose or effect of avoiding Section 3.1(b)(i),

shall become null and void without any further action, and any holder of such Rights (including transferees) shall thereafter have no right to exercise such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise.

- (c) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the BCBCA, the *Securities Act* and the securities laws or comparable legislation in each of the provinces of Canada and each of the States of the United States in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.
- (d) Any Rights Certificate that would represent Rights Beneficially owned by a Person described in either Section 3.1(b)(i) or (ii) or transferred to any nominee of any such Person, and any Rights Certificate that would be issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall either not be issued upon the instruction of the Corporation in writing to the Rights Agent or contain the following legend:

The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement). This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Section 3.1(b) of the Shareholder Rights Plan Agreement.

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall

impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend. The issuance of a Rights Certificate without the legend referred to in this Section 3.1(d) shall be of no effect on the provisions of Section 3.1(b).

## ARTICLE 4 THE RIGHTS AGENT

### 4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of the Rights in accordance with the terms and conditions of this Agreement, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint one or more Co-Rights Agents (“**Co-Rights Agents**”) as it may deem necessary or desirable, subject to approval of the Rights Agent. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and the Co-Rights Agents. The Corporation agrees to pay all reasonable fees and expenses of the Rights Agent in respect of the performance of its duties under this Agreement. The Corporation also agrees to indemnify the Rights Agent, its officers, directors, and employees for, and to hold them harmless against, any loss, liability, or expense, incurred without gross negligence, bad faith or wilful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.
- (b) The Rights Agent shall be protected from and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.
- (d) Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (i) breach by any other party of securities laws or other rule of any securities regulatory authority, (ii) lost profits

or (iii) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

- (e) Notwithstanding any other provision of this Agreement, any liability of the Rights Agent shall be limited, in the aggregate, to the amount of fees paid by the Company to the Rights Agent under this Agreement in the twelve (12) months immediately prior to the Rights Agent receiving the first notice of the claim.

#### **4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent**

- (a) Any corporation into which the Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any corporation succeeding to the security holder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

#### **4.3 Duties of Rights Agent**

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which the Corporation and the holders of certificates for Common Shares and Rights Certificates, by their acceptance thereof, shall be bound.

- (a) The Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation and, in any event, shall be a reputable legal firm) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion and the Rights Agent may also consult with such other experts as the Rights Agent shall consider necessary or appropriate to

properly carry out the duties and obligations imposed under this Agreement (at the Corporation's expense) and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert.

- (b) Whenever in the performance of its duties under this Agreement, the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the Chairman of the Board, President, any Vice President, Treasurer, Secretary, or any Assistant Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- (c) Notwithstanding anything to the contrary, the Rights Agent will be liable hereunder for its own gross negligence, bad faith or wilful misconduct.
- (d) The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.
- (e) The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Common Share or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.
- (f) Each of the Corporation and the Rights Agent agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing of the provisions of this Agreement.

- (g) The Rights Agent is hereby authorized and directed to accept instructions in writing (including by e-mail) with respect to the performance of its duties hereunder from any individual believed by the Rights Agent to be the Chairman of the Board, President, any Executive or Senior Vice President or any other Vice President, Treasurer, Secretary or any Assistant Secretary of the Corporation, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual.
- (h) The Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become financially interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not the Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity, provided such actions would not place the Rights Agent in a position of conflict of interest with respect to its duties under this Agreement.
- (i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

#### **4.4 Change of Rights Agent**

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail. The Corporation may remove the Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Common Shares by registered or certified mail. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 60 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to the Corporation the resigning Rights Agent (at the Corporation's expense) or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by the Corporation), may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a company constituted under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of British Columbia. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the



effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares, and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.9. The cost of giving any notice required under this Section 4.4, shall be borne solely by the Corporation. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

#### **4.5 Compliance with Money Laundering Legislation**

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Company, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective. Subject to applicable law, the Rights Agent agrees to notify the Corporation as soon as reasonably possible in the event that the Rights Agent has concerns which may give rise to the rights of the Rights Agent to resign under this paragraph and such notice shall describe the basis for such concerns.

#### **4.6 Privacy Legislation**

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") may apply to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Company will, prior to transferring or causing to be transferred personal information to the Rights Agent pursuant to this Agreement, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

### **ARTICLE 5 MISCELLANEOUS**

#### **5.1 Redemption and Waiver**

- (a) The Board of Directors shall waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined, following a Stock Acquisition Date and prior to the Separation Time, that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, in the event that such a waiver is granted by the Board of Directors, such Stock Acquisition Date shall be deemed not to have occurred. Any

such waiver pursuant to this Section 5.1(a) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the “**Disposition Date**”), has reduced its Beneficial ownership of Voting Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Stock Acquisition Date and Section 3.1 shall apply thereto.

- (b) The Board of Directors acting in good faith may, prior to a Flip-in Event having occurred, upon prior written notice delivered to the Rights Agent, determine to waive the application of Section 3.1 to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a take-over bid circular to all holders of record of Voting Shares (which for greater certainty shall not include the circumstances described in Section 5.1(a)), provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Section 5.1(b), the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-Over Bid which is made by means of a Take-Over Bid circular to all holders of Voting Shares prior to the expiry of any Take-Over Bid (as the same may be extended from time to time) in respect of which a waiver is, or is deemed to have been granted under this Section 5.1(b).
- (c) In the event that prior to the occurrence of a Flip-in Event a Person acquires, pursuant to a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition under Section 5.1(b), outstanding Voting Shares, then the Board of Directors shall, immediately upon the consummation of such acquisition without further formality be deemed to have elected to redeem the Rights at a redemption price of \$0.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the “**Redemption Price**”).
- (d) The Board of Directors may, with the prior approval of the holders of Voting Shares or Rights given in accordance with the terms of Section 5.4, at any time prior to the occurrence of a Flip-in Event elect to redeem all but not less than all of the then outstanding Rights at the Redemption Price appropriately adjusted in a manner analogous to the applicable adjustments provided for in Section 2.3, which adjustments shall only be made in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred.
- (e) The Board of Directors may, with the prior approval of the holders of Common Shares given in accordance with Section 5.4 at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 hereof has not been waived pursuant to this Section 5.1(a), if such Flip-in Event would occur by reason of an acquisition of Common Shares or Convertible Securities otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to all registered holders of Common Shares and otherwise than in the circumstances set forth in Section 5.1(a), waive the application of Section 3.1 to such Flip-in

Event. In such event, the Board of Directors shall extend the Separation Time to a date at least ten (10) Business Days subsequent to the meeting of shareholders called to approve such waiver.

- (f) The Board of Directors may, prior to the close of business on the tenth Trading Day following a Stock Acquisition Date or such later Business Day as they may from time to time determine, upon prior written notice delivered to the Rights Agent, waive the application of Section 3.1 to the related Flip-in Event, provided that the Acquiring Person has reduced its Beneficial ownership of Voting Shares (or has entered into a contractual arrangement with the Corporation, acceptable to the Board of Directors, to do so within 10 calendar days of the date on which such contractual arrangement is entered into or such other date as the Board of Directors may have determined) such that at the time the waiver becomes effective pursuant to this Section 5.1(f) such Person is no longer an Acquiring Person. In the event of such a waiver becoming effective prior to the Separation Time, for the purposes of this Agreement, such Flip-in Event shall be deemed not to have occurred.
- (g) Where a Take-over Bid that is not a Permitted Bid or a Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price. Notwithstanding the foregoing, upon the Rights being redeemed pursuant to this Section 5.1(g), all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time shall be deemed not to have occurred and the Rights shall remain attached to outstanding Common Shares subject to and in accordance with this agreement.
- (h) If the Board of Directors is deemed under Section 5.1(c) to have elected or elects under Sections 5.1(d) or (g) to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.
- (i) Within 10 calendar days after the Board of Directors is deemed under Section 5.1(c) to have elected or elects under Section 5.1(d) or (g) to redeem the Rights, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Voting Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made.
- (j) the Corporation shall give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 pursuant to this Section 5.1.

## **5.2 Expiration**

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(a) of this Agreement.

## **5.3 Issuance of New Rights Certificates**

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

## **5.4 Supplements and Amendments**

- (a) The Corporation may make any amendments to this Agreement to correct any clerical or typographical error or which are required to maintain the validity of the Agreement as a result of any change in any applicable legislation, regulations or rules thereunder. Notwithstanding anything in this Section 5.4 to the contrary, no amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.
- (b) Subject to Section 5.4(a), the Corporation may, with the prior consent of the holders of Voting Shares obtained as set forth below, at any time before the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if provided by the holders of Voting Shares at a Special Meeting, which Special Meeting shall be called and held in compliance with applicable laws and regulatory requirements and the requirements in the articles of the Corporation. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by all holders of Voting Shares (other than any holder who does not qualify as an Independent Shareholder, with respect to all Voting Shares Beneficially owned by such holder), represented in person or by proxy at the Special Meeting.
- (c) The Corporation may, with the prior consent of the holders of Rights obtained as set forth below, at any time after the Separation Time and before the Expiration Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if provided by the holders of Rights at a Rights Holders' Special Meeting, which Rights Holders' Special Meeting shall be called and held in

compliance with applicable laws and regulatory requirements and, to the extent possible, with the requirements in the articles of the Corporation applicable to meetings of holders of Common Shares, applied mutatis mutandis. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by holders of Rights (other than holders of Rights whose Rights have become null and void pursuant to Section 3.1(b)), represented in person or by proxy at the Rights Holders' Special Meeting.

- (d) Any consent or approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are null and void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's articles and the BCBCA with respect to the meetings of holders of Common Shares.
- (e) The Corporation shall be required to provide the Rights Agent with notice in writing of any such amendment, variation or deletion to this Agreement as referred to in this Section 5.4 within five days of effecting such amendment, variation or deletion.
- (f) Any amendments, variations or deletions made by the Corporation to this Agreement pursuant to Section 5.4(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, regulation or rule thereunder shall:
  - (i) if made before the Separation Time, be submitted to the holders of Voting Shares at the next meeting of shareholders and the holders of Voting Shares may, by the majority referred to in Section 5.4(b) confirm or reject such amendment;
  - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Section 5.4(d) confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to

which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights as the case may be.

## **5.5 Fractional Rights and Fractional Shares**

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights and the Corporation shall not be required to pay any amount to a holder of record of Rights Certificates in lieu of such fractional Rights.
- (b) The Corporation shall not be required to issue fractions of Common Shares upon exercise of Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall be entitled to pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Common Share that the fraction of a Common Share that would otherwise be issuable upon the exercise of such Right is of one whole Common Share at the date of such exercise.

## **5.6 Rights of Action**

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights, or Rights to which such holder is entitled, in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holder of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

## **5.7 Regulatory Approvals**

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority, and without limiting the generality of the foregoing, necessary approvals of any stock exchange shall be obtained, such as approvals relating to the issuance of Common Shares upon the exercise of Rights under Section 2.2(d).

## **5.8 Declaration as to Foreign Holders**

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Corporation with the

securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure such compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

## 5.9 Notices

- (a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Evrin Resources Corp.  
910 – 850 West Hastings Street  
Vancouver, B.C. V6C 1E1

Attention: Paddy Nicol  
Title: President and Chief Executive Officer  
Email Address: paddy@evrimresources.com

- (b) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Corporation), or sent by facsimile or other form of recorded electronic communication, charges prepaid, and confirmed in writing, as follows:

Computershare Investor Services Inc.  
510 Burrard Street, 3rd Floor  
Vancouver BC V6C 3B9

Attention: General Manager, Client Services  
Fax No.: 604-661-9400

- (c) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by certified mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for its Common Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.

- (d) Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if mailed, and on the day of telegraphing, telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

### **5.10 Costs of Enforcement**

The Corporation agrees that if it fails to fulfil any of its obligations pursuant to this Agreement, then it will reimburse the holder of any Rights for the costs and expenses (including reasonable legal fees) incurred by such holder to enforce his rights pursuant to any Rights or this Agreement.

### **5.11 Successors**

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and permitted assigns hereunder.

### **5.12 Benefits of this Agreement**

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

### **5.13 Governing Law**

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of British Columbia and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

### **5.14 Severability**

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.



### **5.15 Effective Time**

This Agreement is effective and in full force and effect in accordance with its terms from and after the Effective Time. This Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the Expiration Time.

This Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by all holders of Voting Shares who vote in respect of such reconfirmation (other than any holder who does not qualify as an Independent Shareholder, with respect to all Voting Shares Beneficially owned by such Person) at the third and sixth annual meetings following the Corporation's annual and special meeting of shareholders in 2018. If this Agreement is not so reconfirmed or is not presented for reconfirmation at such annual meeting, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of the annual meeting; provided that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Subsection 5.1(a), 5.1(b) 5.1(e)) prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.15.

### **5.16 Determinations and Actions by the Board of Directors**

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors for the purposes hereof, in good faith, shall not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

### **5.17 Time of the Essence**

Time shall be of the essence in this Agreement.

### **5.18 Force Majeure**

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

### **5.19 Execution in Counterparts**

This Agreement may be executed in any number of counterparts and may be executed and delivered by facsimile or similar electronic copy and each of such counterparts and facsimiles or similar electronic copies shall for all purposes be deemed to be an original, and all such counterparts and facsimiles or similar electronic copies shall together constitute one and the same agreement.

*[Remainder of page left blank intentionally]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**EVRIM RESOURCES CORP.**

By: \_\_\_\_\_  
Name: Paddy Nicol  
Title: President and Chief Executive Officer

By: \_\_\_\_\_  
Name: Mahesh Liyanage  
Title: Chief Financial Officer

**COMPUTERSHARE INVESTOR SERVICES INC.**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**ATTACHMENT 1**

EVRIM RESOURCES CORP.

SHAREHOLDER RIGHTS PLAN AGREEMENT

[Form of Rights Certificate]

Certificate No. \_\_\_\_\_

Rights \_\_\_\_\_

**THE RIGHTS ARE SUBJECT TO TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(b) OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, MAY BECOME VOID.**

**Rights Certificate**

This certifies that \_\_\_\_\_, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated July 16, 2018, as the same may be amended or supplemented from time to time, (the “**Shareholder Rights Plan Agreement**”), between Evrim Resources Corp., a company existing under the laws of British Columbia, and Computershare Investor Services Inc., a company existing under the laws of Canada (the “**Rights Agent**”) (which term shall include any successor Rights Agent under the Shareholder Rights Plan Agreement), to purchase from Evrim Resources Corp. at any time after the Separation Time (as such term is defined in the Shareholder Rights Plan Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Plan Agreement), one fully paid common share of Evrim Resources Corp. (a “**Common Share**”) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal office in the city of Vancouver, British Columbia or any other city as may be designated by the Corporation from time to time. The Exercise Price shall initially be \$90 (Cdn.) per Right and shall be subject to adjustment in certain events as provided in the Shareholder Rights Plan Agreement.

This Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Plan Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Plan Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, Evrim Resources Corp. and the holders of the Rights Certificates. Copies of the Shareholder Rights Plan Agreement are on file at the registered office of Evrim Resources Corp.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights

Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Plan Agreement or herein be construed to confer upon the holder hereof, as such, any of the Rights of a shareholder of Evrim Resources Corp. or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Shareholder Rights Plan Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Shareholder Rights Plan Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

*(Signature page follows)*

**WITNESS** the facsimile signature of the proper officers of Evrim Resources Corp.

Date: \_\_\_\_\_

**EVIM RESOURCES CORP.**

By: \_\_\_\_\_  
President and Chief Executive Officer

By: \_\_\_\_\_  
Chief Financial Officer

Countersigned:

**COMPUTERSHARE INVESTOR SERVICES INC.**

By: \_\_\_\_\_  
Authorized Signature

**FORM OF ASSIGNMENT**

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED \_\_\_\_\_ hereby sells,  
assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Please print name and address of transferee.)

The Rights represented by this Rights Certificate, together with all right, title and interest therein,  
and does hereby irrevocably constitute and appoint \_\_\_\_\_  
\_\_\_\_\_, as attorney, to transfer the within Rights on the  
books of Evrim Resources Corp. with full power of substitution.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

Signature Guaranteed:

(Signature must correspond to name as written upon  
the face of this Rights Certificate in every particular,  
without alteration or enlargement or any changes  
whatsoever.)

Signature must be guaranteed by a Canadian chartered bank, a Canadian trust company, a  
member of a recognized stock exchange or a member of the Securities Transfer Medallion  
Program (STAMP).

## CERTIFICATE

(To be completed if true.)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Voting Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

---

Signature

(To be attached to each Rights Certificate.)

**FORM OF ELECTION TO EXERCISE**

(To be exercised by the registered holder if such holder desires to exercise the Rights Certificate.)

TO: EVRIM RESOURCES CORP. AND COMPUTERSHARE INVESTOR SERVICES INC.

The undersigned hereby irrevocably elects to exercise \_\_\_\_\_ whole Rights represented by the attached Rights Certificate to purchase the Common Shares or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City and Province)

\_\_\_\_\_  
Social Insurance Number, Social Security Number or other taxpayer identification number.

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City and Province)

\_\_\_\_\_  
Social Insurance Number, Social Security Number or other taxpayer identification number.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

Signature Guaranteed:

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any changes whatsoever.)



Signature must be guaranteed by a Canadian chartered bank, a Canadian trust company, a member of a recognized stock exchange or a member of the Securities Transfer Medallion Program (STAMP).

**CERTIFICATE**

(To be completed if true.)

The undersigned party exercising Rights hereunder, hereby represents, for the benefit of all holders of Rights and Voting Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

---

Signature

(To be attached to each Rights Certificate.)

**NOTICE**

In the event the certification set forth above in the Forms of Assignment and Election to Exercise is not completed, Evrim n will deem the Beneficial owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof. No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.

## APPENDIX "C"

### FORM OF ADVANCE NOTICE PROVISIONS RESOLUTION

BE IT RESOLVED, as a special resolution, THAT:

A. The Company is hereby authorized to amend the Articles of the Company by adding the following provision to the Articles of the Company as Article 14.12:

#### **"14.12 Nomination of Directors**

(1) Subject to the *Business Corporations Act*, only persons who are nominated in accordance with this Article 14.12 shall be eligible for election as directors of the Company. Nominations of a person for election to the board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the board of directors, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with Division 7 of Part 5 of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with section 167 of the *Business Corporations Act*; or
- (c) by any person (a **"Nominating Shareholder"**):
  - (i) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 14.12 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting, and
  - (ii) who complies with the notice procedures set forth below in this Article 14.12.

(2) In addition to any other requirements under applicable laws, for a nomination to be made by Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph (3) below) and in proper written form (in accordance with paragraph (4) below) to the Corporate Secretary of the Company at the principal executive offices of the Company.

(3) To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:

- (a) in the case of an annual meeting of shareholders, not less than thirty (30) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the **"Notice Date"**) on which the first Public Announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and

- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made.
- (4) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
    - (i) the name, age, business address and residential address of the person,
    - (ii) the present principal occupation, business or employment of the person within the preceding five years, as well as the name and principal business of any company in which such employment is carried on,
    - (iii) the citizenship of such person,
    - (iv) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and
    - (v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and
  - (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (5) No person shall be eligible for election as a director unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the *Business Corporations Act* or the discretion of the Chair of the meeting. The Chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(6) For purposes of this Article 14.12:

- (a) “Applicable Securities Laws” means the applicable securities legislation of each province and territory of Canada in which the Company is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada in which the Company is a reporting issuer; and
- (b) “Public Announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

(7) Notwithstanding any other provision of this Article 14.12, notice given to the Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery shall be deemed to have been made on the next following day that is a business day.

(8) Notwithstanding the foregoing, the board of directors may, in its sole discretion, waive any requirement in this Article 14.12.”; and

B. Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or make or cause to be delivered or made all such filings and documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.

**APPENDIX "D"**

**FORM OF QUORUM REQUIREMENTS RESOLUTION**

BE IT RESOLVED, as a special resolution, THAT:

A. The Company is hereby authorized to amend the Articles of the Company by removing the current Article 11.3 in its entirety and replacing it with the following to the Articles of the Company as Article 11.3:

**"11.3 Quorum**

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholder is one or more person who are, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares of the Company entitled to be voted at the meeting."

B. Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or make or cause to be delivered or made all such filings and documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.

## APPENDIX "E"

### AUDIT COMMITTEE CHARTER

#### 1. PURPOSE

The primary function of the Audit Committee (the "Committee") of Evrim Resources Corp. (the "**Company**") is to provide an open avenue of communication between management, the independent auditor and the Board as well as to assist the Board in its oversight of the:

- a) integrity, adequacy and timeliness of the company's financial reporting and disclosure practices;
- b) processes for identifying and managing the principal financial risks of the company and the company's internal control systems that ensures fair, complete and accurate financial reporting;
- c) company's compliance with legal and regulatory requirements related to financial reporting; and
- d) independence and performance of the company's external auditor.

The Committee shall perform the duties listed in this Charter consistent with the Company's by-laws and governing laws as the Committee deems necessary or appropriate.

#### 2. MEMBERSHIP AND OPERATIONS

The Committee shall consist of at least three directors with a majority of the members being "independent" as such term is defined in National Instrument 52-110, *Audit Committees*, as may be amended or replaced from time to time.

All members shall have sufficient financial literacy, which means the ability to read and understand a balance sheet, income statement, cash flow statement and the notes attached thereto, to enable them to discharge their responsibilities in accordance with applicable laws and/or requirements of the TSX Venture Exchange on which the company's securities trade.

Committee members shall serve until qualified successors are duly designated and appointed by the Board. Any member may be removed at any time, with or without cause, by a majority of the Board then in office. Any vacancy in the Committee occurring for any cause may be filled by a majority of the Board then in office.

The Committee's chairperson shall be designated by the Board. A majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

#### 3. AUTHORITY

The Board of Directors has granted the Committee the authority herein provided. The Committee has been, and shall be, granted unrestricted access to all information and all employees have been, and shall be, directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at the Company's expense, persons having special competencies (including, without limitation, legal, accounting, compensation or other consultants and experts) to assist the Committee in fulfilling its responsibilities. The Committee has the sole authority to terminate the Committee's engagement of its experts and to approve the fees and other terms of retention of such experts.

#### **4. RESPONSIBILITIES**

The Committee's role is one of oversight. Management is responsible for preparing the company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with IFRS. Management is also responsible for establishing systems of internal control and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The external auditor's responsibility is to audit the company's financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the company in accordance with IFRS. The external auditor is also responsible for issuing an attestation report on management's assessment of the effectiveness of the Company's systems of internal control as of the end of the Company's most recent fiscal year end. The Committee is directly responsible for the appointment, compensation, evaluation, termination and oversight of the work of the external auditor. The external auditor shall report directly to the Committee, as they are accountable to the Board and the Committee as representatives of the company's shareholders. As such, it is not the duty or responsibility of the Committee or any of its members to plan or conduct any type of audit or accounting review or procedure.

In performing its oversight responsibilities, the Committee shall:

- a) Review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval at least once per year.
- b) Review the appointments of the company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
- c) Review with management and the external auditor the adequacy and effectiveness of the company's systems of internal control and the adequacy and timeliness of its financial reporting processes.
- d) Review with management and the external auditor the annual audited financial statements, management discussion and analysis reports and other financial reporting documents, including the CEO and CFO certifications, prior to filing or distribution, including financial matters required to be reported under applicable legal or regulatory requirements.
- e) Review with management the unaudited quarterly financial statements, management discussion and analysis reports and other financial reporting documents, including the CEO and CFO quarterly certifications, prior to filing or distribution, including financial matters required to be reported under applicable legal or regulatory requirements.
- f) Review with management and the external auditor and approve earnings news releases and other financial information and earnings guidance disclosures contained in such news releases prior to their release.
- g) Where appropriate and prior to release, review with management and approve any other news releases that contain significant financial information that has not previously been released to the public.
- h) Review the company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale



- i) Review the quality and appropriateness, not just the acceptability, of the accounting policies and the clarity of financial information and disclosure practices adopted by the company, including consideration of the external auditors' judgments about the quality and appropriateness of the company's accounting policies. This review shall include discussions with the external auditor without the presence of management.
- j) Review with management and the external auditor significant related party transactions and potential conflicts of interest.
- k) Recommend to the Board and shareholders the external auditor selected to examine the company's accounts and financial statements. The Committee has the responsibility to approve all audit engagement terms and fees. The Committee shall pre-approve all audit, non-audit and assurance services provided to the company by the external auditor, but the Chairman or his appointee may be delegated the responsibility to approve these services where the fee is not significant.
- l) Review with management and the external auditor and approve the annual audit plan and results of and any problems or difficulties encountered during any external audits and management's responses thereto.
- m) Receive the report of the external auditor on completion of the audit.
- n) Monitor the independence of the external auditors by reviewing all relationships between the independent auditor and the company and all audit, non-audit and assurance work performed for the company by the independent auditor on at least an annual basis. The Committee will receive an annual written confirmation of its independence from the external auditor.
- o) Review the company's procedures and establish procedures for the Committee for the:
  - i. receipt, retention and resolution of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - ii. confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
- p) Conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it in the conduct of any investigation, at the expense of the Company.
- q) The Committee shall report its recommendations and findings to the Board after each meeting and shall conduct and present to the Board an annual performance evaluation of the effectiveness of the Committee.

## **5. KEY PRACTICES**

The Committee has adopted the following key practices to assist it in fulfilling its responsibilities.

### **5.1 MEETINGS**

The Committee will meet at least four times per year to perform its responsibilities as set out in this Charter; however, it may perform its duties by consent resolution instead of meetings. The foregoing notwithstanding, the Audit Committee shall meet at least once per year.

The Committee may ask members of management or others to attend meetings to provide information as necessary. The Committee shall meet separately with each of management and the independent

auditor, as required, to discuss matters that the Committee, or these groups, believe should be discussed privately with the Committee. Additional meetings shall be held as required in the opinion of the Audit Committee or the external auditor. Minutes of all meetings of the Committee will be provided to the Board. Written or verbal reports on Committee meetings whose minutes have not been completed will be provided at each meeting of the Board.

## **5.2 REVIEW OF FINANCIAL STATEMENTS**

Prior to releasing to the public, the Committee will review and approve the company's annual and quarterly reports, including the financial statements, the management discussion and analysis reports and other information contained therein, in detail with the company's Chief Executive Officer and Chief Financial Officer. The company's external auditors may be present at these meetings.

## **5.3 REVIEW OF THE CEO AND CFO CERTIFICATION PROCESS**

The Committee will review the company's process for the CEO and CFO certifications required by the various regulatory agencies in the jurisdictions in which the company operates with respect to the company's financial statements, disclosures and internal controls, including any significant changes or deficiencies in such controls. The Chairman of the Committee or his appointee shall review the company's disclosure controls and procedures.

## **5.4 REVIEW OF INFORMATION PROVIDED TO ANALYSTS AND RATING AGENCIES**

The Committee shall review other news releases containing significant financial information that has not been previously released to the public with the company's Chief Financial Officer prior to their release. The substance of presentations to analysts and rating agencies involving material changes in the company's strategy or outlook shall be reviewed with the full Board prior to the event.

## **5.5 APPROVAL OF AUDIT AND NON-AUDIT SERVICES**

In addition to approving the engagement of the external auditor to audit the company's financial statements, the Committee will approve all audit, non-audit and assurance services provided by the independent auditor prior to the commencement of any such engagement. The Committee may delegate the responsibility for approving these services to the Chairman or his appointee where the fee is not significant. The Committee will review a summary of all audit, non-audit and assurance work performed for the company at least twice per year. To minimize relationships that could impair the independence of the external auditor, it is the Committee's practice to limit non-audit and assurance services provided by the independent auditor to assistance with financings, taxation, acquisition due diligence and merger integration or other services where there are compelling reasons for the external auditor to provide such services.

## **5.6 HIRING GUIDELINES FOR EMPLOYEES OF THE INDEPENDENT AUDITOR**

The Committee shall review and approve the appointment of any employee or former employee of the company's external auditor to a senior financial management position with the company. The Committee shall request management to annually prepare a report of the profiles of all individuals hired during the past year who were employed by the external auditor at any time during the two years prior to being hired by the company.

## **5.7 COMPLAINTS ABOUT ACCOUNTING, AUDITING AND FINANCIAL REPORTING AND DISCLOSURE MATTERS**

The company's Whistle Blower policy prohibits reprisals or intimidation of employees who draw attention to problems or violations of ethical standards. Employees can report any concerns to their superior or the

company's legal counsel, confidentially and anonymously. Employees may also submit, confidentially and anonymously, concerns regarding questionable accounting, auditing and financial reporting and disclosure matters to the Chairman of the Audit Committee. A summary of all complaints related to auditing, accounting and financial reporting and/or disclosure matters will be reported to the Committee at each meeting, and if the Committee so directs, to the full Board. The Committee may retain outside counsel or other advisors to investigate and resolve any complaints disclosed to it.

#### **5.8 OTHER MATTERS**

Management shall report any real or suspected incidents of fraud, theft or violations of the Company's Code of Ethics to the Committee. Corporate Counsel shall report to the Committee any litigation, claim or other contingency that could have a significant effect on the company's financial results or disclosures.