

SCORPIO

Gold Corporation



www.scorpiongold.com

910 – 800 West Pender St.
Vancouver, BC V6C 2V6 Canada

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the “**Meeting**”) of the shareholders of Scorpio Gold Corporation (the “**Company**”) will be held at Suite 910, 800 West Pender Street, Vancouver, British Columbia on December 14, 2022, at the hour of 10:00 a.m. (PST) for the following purposes:

1. to have placed before the Meeting the audited financial statements of the Company for the fiscal year ended December 31, 2021, together with the auditors’ report thereon;
2. to fix the number of directors to be elected at the Meeting;
3. to elect directors for the ensuing year;
4. to appoint Davidson & Company LLP as auditors for the Company for the ensuing year and to authorize the directors to fix the remuneration of the auditors;
5. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution to approve the Company’s new 10% rolling stock option plan, as more particularly described in the accompanying management information circular (the “**Information Circular**”); and
6. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

IMPORTANT

Shareholders are encouraged to complete, date, sign and return the enclosed form of proxy in accordance with the instructions set out in the proxy and in the attached Information Circular.

The accompanying Information Circular provides additional information relating to the matters to be addressed at the Meeting and is deemed to form part of this Notice.

The Directors have fixed the close of business on November 11, 2022, as the record date for determination of Shareholders entitled to notice of and the right to vote at the Meeting either in person or by proxy.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are encouraged to read, complete, sign, date and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Information Circular accompanying this Notice. Please advise the Company of any changes in your mailing address.

Dated at Vancouver, British Columbia this 11th day of November, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

“Chris Zerga”

Chief Executive Officer and Director

SCORPIO

Gold Corporation



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MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD

Wednesday, December 14, 2022

Containing information as at November 11th, 2022

SOLICITATION OF PROXIES

This Management Information Circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Scorpio Gold Corporation (the “**Company**” or “**Scorpio Gold**”) for use at the Annual General and Special Meeting (the “**Meeting**”) of the Company’s shareholders (the “**Shareholders**”) (and any adjournment(s) or postponement(s) thereof) to be held on December 14, 2022, at the hour of 10:00 a.m. (PST), at Suite 910, 800 West Pender Street, Vancouver, British Columbia.

While it is expected that the solicitation will be made primarily by mail, proxies may be solicited in person or by telephone by directors, officers and employees of the Company. All costs of this solicitation will be borne by the Company.

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

References to dollars (\$) in this Information Circular shall mean US dollars unless otherwise indicated.

PART 1 - VOTING

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy (the “**Proxy**”) are Chris Zerga, Alnesh Mohan and Catherine Cox. **A SHAREHOLDER OF THE COMPANY WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY.**

A vote cast in accordance with the terms of a proxy will be valid notwithstanding the previous death, incapacity or bankruptcy of the Shareholder or intermediary on whose behalf the proxy was given or the revocation of the appointment, unless written notice of such death, incapacity, bankruptcy or revocation is received by the chairman of the Meeting at any time before the vote is cast.

REVOCAION OF PROXY

A Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Company's Registered Office at Suite 910, 800 West Pender St., Vancouver, BC at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chair of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof. A Proxy may also be revoked in any other manner permitted by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Only registered Shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the Proxy on their behalf.

VALIDITY OF PROXY

A Proxy will not be valid unless it is signed by the Shareholder or intermediary or by the Shareholder's or intermediary's agent duly authorized in writing or, if the Shareholder or intermediary is a corporation, under its corporate seal and signed by an officer of the Shareholder or intermediary. The instrument empowering the agent, or a notarial copy thereof, should accompany the Proxy. The Proxy, if not dated, is deemed to be dated on the date mailed by the person making the solicitation.

JOINT HOLDERS

A Proxy given on behalf of joint holders must be executed by all of them and may be revoked only by all of them.

If more than one of several joint holders is present at the Meeting and they do not agree as to which of them is to exercise any vote to which they are jointly entitled, they will for the purpose of voting, be deemed not to be present.

DEPOSIT OF PROXY

A Proxy will not be valid unless it is completed, dated and signed and delivered by hand or mail to Computershare Investor Services Inc. ("Computershare") at Proxy Dept., 100 University Avenue 8th Floor, Toronto, Ontario M5J 2Y1, or by fax to: (within North America) +1 (866) 249-7775 (outside North America) +1 (416) 263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment(s) or postponement(s) thereof, or to the Chair of the Meeting prior to the commencement of the Meeting. Proxies delivered after that time will not be accepted.

NON-REGISTERED HOLDERS OF SHARES

Only registered Shareholders of record as of the Meeting Record Date (as hereinafter defined) or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company 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 such person (the "**Non-Registered Holder**") but which 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 RRSP's, RRFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities

Limited (“**CDS**”) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 (“**NI 54-101**”) of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

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, or where there is a special meeting involving abridged timing under NI 54-101, will either:

- (a) be given a 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 Proxy, this 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 Proxy and **deliver it to Computershare** as provided above; or
- (b) more typically, be given a voting instruction form which 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**”) which 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 accompanied by a page of instructions, which contains a removable label containing a bar code and other information. In order for the Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the Proxy, properly complete and sign the 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, this procedure permits Non-Registered Holders to direct the voting of the shares, which 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 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.**

The Company is taking advantage of NI 54-101 which permits the Company to deliver proxy-related materials directly to its Non-Registered Holders. As a result, Non-Registered Holders can expect to receive a scannable voting instruction form (“**VIF**”) from the Company’s transfer agent, Computershare. The VIF is to be completed and returned to Computershare in the envelope provided or by facsimile, or a Non-Registered Holder has the option to submit their proxy vote either by telephone or via the internet in the manner described in the VIF. Computershare tabulates the results of the VIFs received from Non-Registered Holders and will provide appropriate instructions at the Meeting with respect to the Shares represented by those VIFs.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Meeting Materials are not being sent to registered or beneficial owners using the Notice and Access procedures contained in NI 54-101. The Company is sending the Meeting Materials directly to non-objecting beneficial holders (as defined in NI 54-101). The Company will not pay for intermediaries to deliver the Meeting Materials to objecting beneficial holders (as defined in NI 54-101) and objecting beneficial holders will not receive the Meeting Materials unless their intermediary assumes the cost of delivery.

VOTING OF SHARES REPRESENTED BY PROXY AND EXERCISE OF DISCRETION

Voting at the Meeting will be by a show of hands, each Shareholder having one vote, unless a ballot or poll is requested or required in accordance with the Company's Articles or the *Business Corporations Act* (British Columbia), in which case each Shareholder is entitled to one vote for each share held. **The Shares represented by a Proxy will be voted on any ballot or poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the Shares represented thereby will, on a ballot or poll, be voted or withheld from voting in accordance with the specifications so made. Where no choice has been specified by the Shareholder, such Shares will be voted in favour of the motions proposed to be made at the Meeting as described in this Information Circular.**

A proxy in the enclosed form, when properly completed and delivered and not revoked, confers discretionary authority on the persons named proxyholders therein to vote on any amendments or variations of matters identified in the Notice of Meeting and on any other matters which may properly come before the Meeting. As of the date of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

HOW A VOTE IS PASSED

Certain of the special business to be conducted at the Meeting as described in the attached Notice of Meeting requires approval by a special resolution, which is a resolution approved by a majority of not less than two-thirds (2/3) of the votes cast by Shareholders who vote, in person or by proxy on the special resolution, at the Meeting. Any other matter that may be put forth at the Meeting which does not require approval by a special resolution will require a simple majority of greater than 50% of the votes cast by Shareholders who vote, in person or by proxy on the ordinary resolution, at the Meeting.

PART 2 - VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized voting share capital of Scorpio Gold consists of an unlimited number of common shares. Each holder of common shares (the "**Shares**") is entitled to one vote for each Share registered in his or her name at the close of business on November 11, 2022 the date fixed by our directors as the record date (the "**Meeting Record Date**") for determining who is entitled to receive notice of and to vote at the Meeting.

At the close of business on the Meeting Record Date, there were 210,936,665 Shares outstanding. To the best knowledge of the directors and senior officers of the Company, except as noted below, no persons or

corporations beneficially own, directly or indirectly, or exercise control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company

Shareholder	No. of Common Shares	% of outstanding Common Shares
Augusta Investments Inc.	29,031,250	13.7%
Matco Holdings Ltd. ⁽¹⁾	24,165,637	11.46%
Ianco Holdings Ltd. ⁽²⁾	22,275,977	10.56%

Notes

- (1) A private company wholly owned by Bruce Dawson
(2) A private company wholly owned by Ian Dawson

PART 3 - BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS

The audited financial statements and management discussion and analysis of Scorpio Gold for the fiscal year ended December 31, 2021, will be placed before you at the Meeting. These financial statements may be requested by completing the enclosed Financial Statement Request Form that accompanies this Information Circular, or they may be viewed on www.sedar.com or on the Company's website www.scorpiogold.com.

2. NUMBER OF DIRECTORS

At the Meeting, the Shareholders will be asked to pass an ordinary resolution to fix the number of directors at three (3).

At the Meeting, the Shareholders will be asked to vote on a resolution to elect as directors the nominees set out in the table below. **In the absence of contrary instructions, the persons named in the accompanying form of Proxy intend to vote the Shares represented thereby in favour of election to set the number of directors of the Company at three (3).**

3. ELECTION OF DIRECTORS

The board of directors of the Company (the "**Board**" or "**Board of Directors**") presently consists of four directors. Mr. Bruce Dawson will not be standing for re-election and it is intended to fix the number of directors at three (3) for the ensuing year.

Directors of Scorpio Gold are elected for a term of one year and the term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time. The persons named below will be presented for election at the Meeting as management's nominees, and unless otherwise instructed, the persons named in the accompanying form of proxy intend to vote for the election of each of these nominees. You can vote for all the nominees, vote for some of the nominees and withhold for others, or withhold for all of the nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier

vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

Pursuant to the Advance Notice Policy adopted by the Board on April 23rd, 2013, which was approved by Shareholders at the annual and special meeting of the Company held on June 25th, 2013 and is filed on SEDAR under the Company's profile at www.sedar.com, any additional director nominees for the Meeting must have been received by the Company in compliance with the Advance Notice Policy on or before the close of business on October 29, 2022. No additional director nominations were received.

At the Meeting, the Shareholders will be asked to vote on a resolution to elect as directors the nominees set out in the table below. **In the absence of contrary instructions, the persons named in the accompanying form of Proxy intend to vote the Shares represented thereby in favour of election to the Board of the nominees set out in the table below.**

The following table and notes thereto set out the names of each person proposed to be nominated by management for election as a director, the province in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation or employment during the past five years if such nominee is not presently an elected director, the period of time for which he has been a director of the Company, and the number of Shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position(s), Province or State and Country of Residence ⁽¹⁾	Principal Occupation and if not present and elected director, occupation during last five-years ⁽¹⁾	Date Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽²⁾
Chris Zerga ⁽³⁾ President, Chief Executive Officer and Director <i>Nevada, U.S.A.</i>	President and Chief Executive Officer of the Company since December 20, 2021.	October 2, 2020	- \$-
Peter Brieger ^{(3) (4)} Director <i>Ontario, Canada</i>	President, Brieger Consulting.	July 4, 2013	939,173 \$-
Ian Dawson ^{(3) (4)} Director <i>British Columbia, Canada</i>	President of Dawson Group Limited since 1995. The Dawson Group is primarily involved in Construction (1922), Road Maintenance (1988) and Truck Sales, Service and Leasing (1991).	October 30, 2019	22,275,977 ⁽⁵⁾

Notes:

- (1) The information as to province or state and country of residence and principal occupation is not within the knowledge of the management of the Company and has been furnished by the respective directors individually.
- (2) The information as to the number of Shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective directors individually.
- (3) Member of the Company's Audit Committee.
- (4) Member of the Company's Compensation Committee.
- (5) These Shares are held by Ianco Holdings Ltd., a private company controlled by Ian Dawson.

CEASE TRADE ORDERS AND BANKRUPTCY

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

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or proposed director of Scorpio Gold, and no Shareholder holding a sufficient number of securities of Scorpio Gold to affect materially the control of Scorpio Gold:

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

No director or proposed director of Scorpio Gold, and no Shareholder holding a sufficient number of securities of Scorpio Gold to affect materially the control of Scorpio Gold has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

4. APPOINTMENT AND REMUNERATION OF AUDITOR

Davidson and Company, LLP, Chartered Professional Accountants have served as Auditor of the Company since August 30, 2017.

The Company's management recommends that Shareholders vote FOR the appointment of Davidson and Company, LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor.

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Davidson and Company, LLP to act as our auditor until the close of our next annual general meeting and to authorize the Board of Directors to fix the remuneration to be paid to the auditor.

5. APPROVAL OF THE 2022 OPTION PLAN

At the Meeting, Shareholders will be asked to approve the adoption of the 2022 Option Plan, a new 10% rolling incentive stock option plan. The 2022 Option Plan was approved by the Board on November 11, 2022 and has been conditionally accepted by the Exchange. The 2022 Option Plan shall become effective upon the receipt of approval of the Shareholders and the final acceptance of the Exchange (the “Effective Date”) and will replace the option plan approved by Shareholders on October 25, 2021 (the “Option Plan”). All of the stock options currently outstanding under the Option Plan (the “Outstanding Options”), of which there are 10,707,500 as at the date of this Information Circular, will remain outstanding and in full force and effect in accordance with their terms after the Effective Date. However, following the Effective Date, no additional grants shall be made pursuant to the Option Plan, and the Option Plan will terminate on the date upon which no Outstanding Options remain outstanding.

The purpose of the 2022 Option Plan is to, among other things: (i) provide the Company with a mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries; (ii) reward directors, officers, employees and consultants that have been granted stock options (each, an “Option”) under the 2022 Option Plan for their contributions toward the long-term goals and success of the Company; and (iii) enable and encourage such directors, officers, employees and consultants to acquire Shares of the Company as long-term investments and proprietary interests in the Company. The approval of the 2022 Option Plan by the Board is subject to approval by the Shareholders and to the final acceptance of the Exchange.

A summary of certain provisions of the 2022 Option Plan is set out below, and a full copy of the 2022 Option Plan is attached hereto as Appendix “B”. This summary is qualified in its entirety to the full copy of the 2022 Option Plan.

Summary of the 2022 Option Plan

Eligibility

The 2022 Option Plan allows the Company to grant Options to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries (collectively, the “Option Plan Participants”).

Number of Shares Issuable

The aggregate number of Common Shares that may be issued to Option Plan Participants under the 2022 Option Plan will be that number of Shares equal to 10% of the issued and outstanding Shares on the particular date of grant of the Option, inclusive of the Outstanding Options.

Limits on Participation

The 2022 Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the Exchange, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the Exchange:

- (i) the maximum number of Shares that may be issued to any one Option Plan Participant (and where permitted pursuant to the policies of the Exchange, any company that is wholly-owned

by the Option Plan Participant) under the 2022 Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 5% of the issued Shares calculated on the date of grant;

- (ii) the maximum number of Shares that may be issued to insiders collectively under the 2022 Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 10% of the issued Shares calculated on the date of grant; and
- (iii) the maximum number of Shares that may be issued to insiders collectively under the 2022 Option Plan, together with any other security based compensation arrangements, may not exceed 10% of the issued Shares at any time.

For so long as such limitation is required by the Exchange, the maximum number of Options which may be granted within any 12-month period to Option Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Shares, and such Options must vest in stages over 12 months with no more than 25% vesting in any three month period. In addition, the maximum number of Shares that may be granted to any one consultant under the 2022 Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 2% of the issued Shares calculated on the date of grant.

Administration

The plan administrator of the 2022 Option Plan (the “Option Plan Administrator”) will be the Board or a committee of the Board, if delegated. The Option Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Options under the 2022 Option Plan; determine conditions under which Options may be granted, vested or exercised, including the expiry date, exercise price and vesting schedule of the Options; establish the form of option certificate (“Option Certificate”); interpret the 2022 Option Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2022 Option Plan.

Subject to any required regulatory or shareholder approvals, the Option Plan Administrator may also, from time to time, without notice to or without approval of the Shareholders or the Option Plan Participants, amend, modify, change, suspend or terminate the Options granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the 2022 Option Plan or any Option granted pursuant thereto may materially impair any rights of an Option Plan Participant or materially increase any obligations of an Option Plan Participant under the 2022 Option Plan without the consent of such Option Plan Participant, unless the Option Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the 2022 Option Plan.

All of the Options are subject to the conditions, limitations, restrictions, vesting, exercise and forfeiture provisions determined by the Option Plan Administrator, in its sole discretion, subject to such limitations provided in the 2022 Option Plan, and will be evidenced by an Option Certificate. In addition, subject to the limitations provided in the 2022 Option Plan and in accordance with applicable law, the Option Plan Administrator may accelerate the vesting of Options, cancel or modify outstanding Options and waive any condition imposed with respect to Options or Shares issued pursuant to Options.

Exercise of Options

Options shall be exercisable as determined by the Option Plan Administrator at the time of grant, provided that no Option shall have a term exceeding 10 years so long as the Shares are listed on the Exchange.

Subject to all applicable regulatory rules, the vesting schedule for an Option, if any, shall be determined by the Option Plan Administrator. The Option Plan Administrator may elect, at any time, to accelerate the vesting schedule of an Option, and such acceleration will not be considered an amendment to such Option and will not require the consent of the Option Plan Participant in question. However, no acceleration to the vesting schedule of an Option granted to an Option Plan Participant performing investor relations services may be made without prior acceptance of the Exchange.

The exercise price of an Option shall be determined by the Option Plan Administrator and cannot be lower than the greater of: (i) the minimum price required by the Exchange; and (ii) the market value of the Shares on the applicable grant date.

An Option Plan Participant may exercise the Options in whole or in part through any one of the following forms of consideration, subject to applicable laws, prior to the expiry date of such Options, as determined by the Option Plan Administrator:

- the Option Plan Participant may send a wire transfer, certified cheque or bank draft payable to the Company in an amount equal to the aggregate exercise price of the Shares being purchased pursuant to the exercise of the Options;
- subject to approval from the Option Plan Administrator and the Shares being traded on the Exchange, a brokerage firm may be engaged to loan money to the Option Plan Participant in order for the Option Plan Participant to exercise the Options to acquire the Shares, subsequent to which the brokerage firm shall sell a sufficient number of Shares to cover the exercise price of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of Shares from the exercise of the Options, and the Option Plan Participant shall receive the balance of the Shares or cash proceeds from the balance of such Shares; and
- subject to approval from the Option Plan Administrator and the Shares being traded on the Exchange, consideration may be paid by reducing the number of Shares otherwise issuable under the Options, in lieu of a cash payment to the Company, an Option Plan Participant, excluding those providing investor relations services, only receives the number of Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the Shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the Shares. The number of Shares delivered to the Option Plan Participant may be further reduced to satisfy applicable tax withholding obligations. The number of Options exercised, surrendered or converted, and not the number of Shares issued by the Issuer, must be included in calculating the number of Shares issuable under the 2022 Option Plan and the limits on participation.

If an exercise date for an Option occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the 2022 Option Plan, the Option shall be exercised no more than ten business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

Termination of Employment or Services and Change in Control

The following describes the impact of certain events that may, unless otherwise determined by the Option Plan Administrator or as set forth in an Option Certificate, lead to the early expiry of Options granted under the 2022 Option Plan.

Termination by the Company for cause:	Forfeiture of all unvested Options. The Option Plan Administrator may determine that all vested Options shall be forfeited, failing which all vested Options shall be exercised in accordance with the 2022 Option Plan.
Voluntary resignation of an Option Plan Participant:	Forfeiture of all unvested Options. Exercise of vested Options in accordance with the 2022 Option Plan.
Termination by the Company other than for cause:	Acceleration of vesting of a portion of unvested Options in accordance with a prescribed formula as set out in the 2022 Option Plan. ¹ Forfeiture of the remaining unvested Options. Exercise of vested Options in accordance with the 2022 Option Plan.
Death or disability of an Option Plan Participant:	Acceleration of vesting of all unvested Options. ¹ Exercise of vested Options in accordance with the 2022 Option Plan.
Termination or voluntary resignation for good reason within 12 months of a change in control:	Acceleration of vesting of all unvested Options. ¹ Exercise of vested Options in accordance with the 2022 Option Plan.

Notes: (1) Any acceleration of vesting of unvested Options granted to an investor relations service provider is subject to the prior written approval of the Exchange.

Any Options granted to an Option Plan Participant under the 2022 Option Plan shall terminate at a date no later than 12 months from the date such Option Plan Participant ceases to be an Option Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Company, a material alteration of the capital structure of the Company and a disposition of substantially all of the Company's assets, the Option Plan Administrator may, without the consent of the Option Plan Participant, cause all or a portion of the Options granted to terminate upon the occurrence of such event.

Amendment or Termination of the 2022 Option Plan

Subject to any necessary regulatory approvals, the 2022 Option Plan may be suspended or terminated at any time by the Option Plan Administrator, provided that no such suspension or termination shall alter or impact any rights or obligations under an Option previously granted without the consent of the Option Plan Participant.

The following limitations apply to the 2022 Option Plan and all Options thereunder as long as such limitations are required by the Exchange:

- any adjustment to Options, other than in connection with a security consolidation or security split, is subject to prior Exchange acceptance and the issuance of a news release by the Corporation outlining the terms thereof;
- any amendment of an Option is subject to prior Exchange acceptance, except for amendments to reduce the number of Shares issuable under such Option, to increase the exercise price of such Option or to cancel such Option;

- any amendments made to the 2022 Option Plan shall require regulatory and Shareholder approval and the issuance of a news release by the Corporation outlining the terms thereof, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the 2022 Option Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and
- the exercise price of an Option previously granted to an insider must not be reduced, or the extension of the expiry date of an Option held by an insider may not be extended, unless the Company has obtained disinterested shareholder approval to do so in accordance with Exchange policies.

Subject to the foregoing limitations and any necessary regulatory approvals, the Option Plan Administrator may amend any existing Options or the 2022 Option Plan or the terms and conditions of any Option granted thereafter, although the Option Plan Administrator must obtain written consent of the Option Plan Participant (unless otherwise excepted out by a provision of the 2022 Option Plan) where such amendment would materially decrease the rights or benefits accruing to an Option Plan Participant or materially increase the obligations of an Option Plan Participant.

Company 2022 Option Plan Resolution

At the Meeting, the Shareholders of the Company will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the 2022 Option Plan, which resolution requires approval of greater than 50% of the votes cast by the Shareholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) subject to final acceptance of the TSX Venture Exchange (the “TSXV”), the new stock option plan (the “2022 Option Plan”) of Scorpio Gold Corporation (the “Company”), substantially in the form attached as Appendix “B” to the management information circular of the Company dated November 11, 2022, is hereby approved;
- (b) the directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant stock options (each, an “Option”) pursuant to the 2022 Option Plan to those eligible to receive Options thereunder;
- (c) any one director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
- (d) notwithstanding that this resolution be passed by the shareholders of the Company, the adoption of the proposed 2022 Option Plan is conditional upon receipt of final approval of the TSXV, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors.”

Recommendation of the Board

The Board has determined that the 2022 Option Plan is in the best interests of the Company and the Shareholders and unanimously recommends that the Shareholders vote in favour of approving the 2022 Option Plan. **In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**

The Board reserves the right to amend any terms of the 2022 Option Plan or not to proceed with the 2022 Option Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Company and the Shareholders and to do so in light of any subsequent event or development occurring after the date of the Information Circular.

PART 3 - EXECUTIVE COMPENSATION

Scorpio Gold's statement of executive compensation for the year ended December 31, 2021, a copy of which was filed on Scorpio Gold's profile on SEDAR on June 22, 2022, is as follows:

Director and Named Executive Officer Compensation Excluding Compensation Securities

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*. All amounts in this form are expressed in Canadian dollars.

Named Executive Officers

“Named Executive Officers” and “NEOs” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

During the most recent fiscal year ended December 31, 2021, the Company had four (4) NEOs.

Table of compensation excluding stock options and compensation securities							
Name and position	Year	Salary ⁽¹⁾, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation ⁽²⁾ (\$)	Total compensation (\$)
Brian Lock, Former President, Chief Executive Officer and Director ⁽³⁾	2021	287,083	Nil	Nil	Nil	Nil	287,083
	2020	198,750 ⁽⁴⁾	Nil	Nil	Nil	Nil	198,750
Chris Zerga, President, Chief Executive Officer and Director ⁽⁵⁾	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	155,847	Nil	Nil	Nil	Nil	155,847
Golden Oak Corporate Services Ltd., Chief Financial Officer and Corporate Secretary ⁽⁶⁾	2021	200,000	Nil	Nil	Nil	Nil	200,000
	2020	154,167 ⁽⁴⁾	Nil	Nil	Nil	Nil	154,167
David LaCount, Mine Controller ⁽⁷⁾	2021	169,111	Nil	Nil	Nil	Nil	169,111
	2020	180,333	Nil	Nil	Nil	Nil	180,333

Peter Brieger, Director	2021 2020	Nil 7,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 7,500
Ian Dawson, Director	2021 2020	Nil 7,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 7,500
Bruce Dawson, Director ⁽⁸⁾	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Peter J. Hawley, Former Director and Chairman ⁽⁹⁾	2021 2020	Nil 17,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 17,500
Peter Tegart, Former Director ⁽¹⁰⁾	2021 2020	Nil 7,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 7,500
Murray Bockhold, Former Director ⁽¹¹⁾	2021 2020	Nil 7,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 7,500

Notes:

- (1) Where necessary, salary or all other compensation, paid or payable in United States (“US”) dollars, was converted from US to Canadian dollars using the exchange rate of 1.2527 and 1.3358 in 2021 and 2020 respectively, that prevailed during the period during which the NEOs were paid.
- (2) Amounts for “All other compensation” represent amounts paid as the Company’s contribution to the NEO’s RRSP/401(k) account.
- (3) Brian Lock resigned as Director, President and Chief Executive Officer on December 13, 2021.
- (4) Brian Lock and Golden Oak Corporate Services Ltd. received half fees for a six-month period from April 2020 to September 2020.
- (5) Chris Zerga resigned as President of the Company on July 31, 2020. Mr. Zerga became a Director of the Company on October 2, 2020. Mr. Zerga was appointed President and Chief Executive Officer on December 20, 2021.
- (6) Consulting fees are paid to Golden Oak Corporate Services Ltd. (“Golden Oak”), which provide Dan O’Brien and Doris Meyer’s services to the Company as Chief Financial Officer and Corporate Secretary respectively. Golden Oak was engaged on June 10, 2019 and resigned on May 31, 2022.
- (7) David LaCount resigned as Mine Controller of the Company on April 30, 2022 and is now on a consulting basis.
- (8) Bruce Dawson became a Director of the Company on May 21, 2020.
- (9) Peter Hawley did not stand for re-election at the Annual General and Special Meeting on October 2, 2020.

(10) Peter Tegart resigned as a Director of the Company on April 9, 2021.

(11) Murray Bockhold resigned as a Director of the Company on May 20, 2020.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide management services to the Company, directly or indirectly.

Stock Options and Other Compensation Securities

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Brian Lock, Former President, Chief Executive Officer and Director	Stock Options	62,500 ⁽¹⁾ 0.05% ⁽²⁾	Jun 6, 2013	0.55	0.55	0.10	Jun 6, 2023
		750,000 ⁽¹⁾ 0.64% ⁽²⁾	Jun 5, 2019	0.10	0.10	0.10	Jun 5, 2024
		800,000 ⁽¹⁾ 0.68% ⁽²⁾	Sept 14, 2020	0.165	0.16	0.10	Sept 14, 2025

Chris Zerga, President, Chief Executive Officer and Director	Stock Options	75,000 ⁽¹⁾ 0.06% ⁽²⁾	Jun 6, 2013	0.55	0.55	0.10	Jun 6, 2023
		350,000 ⁽¹⁾ 0.30% ⁽²⁾	Jun 5, 2019	0.10	0.10	0.10	Jun 5, 2024
		250,000 ⁽¹⁾ 0.21% ⁽²⁾	Sept 14, 2020	0.165	0.16	0.10	Sept 14, 2025
Golden Oak Corporate Services Ltd., Chief Financial Officer and Corporate Secretary	Stock Options	150,000 ⁽¹⁾ 0.13% ⁽²⁾	Jul 23, 2020	0.155	0.155	0.10	Jul 23, 2025
		250,000 ⁽¹⁾ 0.21% ⁽²⁾	Sept 14, 2020	0.165	0.16	0.10	Sept 14, 2025
Peter Brieger, Director	Stock Options	150,000 ⁽¹⁾ 0.13% ⁽²⁾	Jun 5, 2019	0.10	0.10	0.10	Jun 5, 2024
		300,000 ⁽¹⁾ 0.26% ⁽²⁾	Sept 14, 2020	0.165	0.16	0.10	Sept 14, 2025
Ian Dawson, Director	Stock Options	250,000 ⁽¹⁾ 0.21% ⁽²⁾	Sept 14, 2020	0.165	0.16	0.15	Sept 14, 2025
Bruce Dawson, Director	Stock Options	250,000 ⁽¹⁾ 0.21% ⁽²⁾	Sept 14, 2020	0.165	0.16	0.15	Sept 14, 2025

David LaCount, Mine Controller	Stock Options	50,000 ⁽¹⁾	Jun 6, 2013	0.55	0.55	0.10	Jun 6, 2023
		0.04% ⁽²⁾					
		150,000 ⁽¹⁾	Jun 5, 2019	0.10	0.10	0.10	Jun 5, 2024
		0.13% ⁽²⁾					
		150,000 ⁽¹⁾		0.165	0.16	0.10	Sept 14, 2025
		0.13% ⁽²⁾	Sept 14, 2020				

Notes:

- (1) Each stock option entitles the holder to purchase one common share of the Company, each stock option fully vests on date of grant. Stock options expire ninety (90) days after termination or resignation.
- (2) This figure represents the number of underlying common shares issuable upon exercise of the stock option as a percentage of the total issued and outstanding common shares of the Company as at December 31, 2021, being 117,104,189 common shares on that date.

No other compensation securities were granted or issued to any NEO or director by the Company or one of its subsidiaries in the financial year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

No NEO or director exercised any compensation securities during the financial year ended December 31, 2021.

Stock option plans and other incentive plans

The Company has a stock option plan (the “**Option Plan**”) is administered by the Board of Directors or a committee thereof, which has full and final authority with respect to the granting of all stock options thereunder. A number of stock options equal to 10% of the outstanding common shares of the Company from time to time is available to be granted pursuant to the Option Plan to such directors, officers, employees or consultants of the Company and its subsidiaries, if any, as the Board of Directors or a committee thereof may from time to time designate. The purpose of the Option Plan is to improve the Company’s long-term financial success by closely aligning the participants’ personal interests with those of the Company’s shareholders.

Subject to the provisions of the Option Plan, the Company may grant stock options that entitle the holders to purchase in total up to a maximum of 10% of the issued and outstanding share capital of the Company at the time the options are granted. As the Company grows, stock options provide participants with a reward for the long-term contribution of directors, NEO’s, employees and consultants towards the growth and success of the Company. The Company’s practice is to grant such number of stock options in order to stay close to the authorized maximum of options outstanding by issuing incremental options every year and granting options to new directors, NEO’s or employees depending on the circumstances. Stock options help in retaining directors, NEO’s and employees during difficult economic periods when salaries and bonuses are restricted by necessity. The Compensation Committee considers such factors as individual

performance, the significance of individual contribution to the success of the Company, experience and length of service in determining the amounts of options awarded. Previous grants of stock options are taken into account when stock options are granted.

For so long as the Company is listed on the TSX Venture Exchange (the “**Exchange**”), the number of common shares of the Company which may be reserved in any twelve (12) month period for issuance to any one individual upon exercise of all options held by that individual may not exceed 5% of the issued and outstanding common shares of the Company, unless the Company has obtained disinterested shareholder approval, and the number of common shares which may be reserved in any twelve (12) month period for issuance to any one employee or consultant engaged in investor relations activities may not exceed 2% of the issued and outstanding common shares of the Company. The Option Plan provides that stock options issued to consultants performing investor relations activities will vest in stages over twelve (12) months with no more than $\frac{1}{4}$ of the stock options vesting in any three-month period.

The exercise price of any stock options is determined by the Board of Directors or a committee thereof; however, the exercise price of stock options may not be less than the market value of the Company's common shares at the time the stock option is granted. “Market Value” will generally be the closing trading price of the Company's common shares on the Exchange or such other stock exchange upon which the common shares are listed on the trading day immediately preceding the date of the grant of the stock option. The term of any stock option is determined by the Board of Directors or a committee thereof at the time of grant but, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death or disability, the term of any options granted under the Option Plan may not exceed ten (10) years. The expiry date of outstanding stock options which would expire during a black-out period, or within ten (10) business days after the expiry of a black-out, will be extended for a period of time ending on the tenth (10th) business day after the expiry date of the black-out to provide an extension to the right to exercise such stock options; provided, however, the expiry date must not exceed the date which is ten years from the date of grant of such stock option. If desired by the Board of Directors or a committee thereof, stock options may be subject to vesting. In certain cases, the rules and policies of the Exchange require mandatory vesting.

Stock options are not transferable or assignable other than by will or other testamentary instrument or pursuant to laws of succession. Subject to certain exceptions, in the event that a director or officer ceases to hold office other than by reason of death or disability, stock options granted to such director or officer will expire ninety (90) days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee or consultant of the Company ceases to act in that capacity other than by reason of death or disability, stock options granted to such employee or consultant will expire ninety (90) days after such individual or entity ceases to act in that capacity. Stock options granted to optionees engaged in investor relations activities will expire thirty (30) days after such optionees cease to perform such investor relations activities other than by reason of death or disability. In the event of death of an option holder or termination as a result of such option holder's disability, such option holder's stock options will expire on the earlier of the expiry date of such stock options and one year from the date of the death of the option holder or of the date of termination as a result of disability, as the case may be.

The Board of Directors or a committee thereof may, at any time, without further approval by the shareholders of the Company or the consent of the affected option holders, amend the Option Plan or any option granted thereunder to:

- (i) amend typographical, clerical and grammatical errors;
- (ii) reflect changes to applicable securities laws;
- (iii) include the addition of a cashless exercise feature, payable in cash or securities;
- (iv) ensure that the stock options granted under the Option Plan will comply with any provisions respecting the income tax and other laws in force in any country or jurisdiction of which an option holder to whom a stock option has been granted may from time to time be resident or a citizen; and
- (v) reduce the exercise price or extend the term of a stock option for an option holder who is not an insider of the Company.

The Option Plan was most recently approved by the Shareholders at its annual general meeting held on October 25, 2021. The Company intends to replace the Option Plan as a result of changes made to the policies of the TSXV regarding security based compensation plans and will put forth a resolution to the Shareholders for approval of the 2022 Option Plan at the Meeting. See “*Business of the Meeting – Approval of the 2022 Option Plan*”.

The Company does not have any other compensation security plans.

Employment, consulting and management agreements

The Company has the following arrangements in respect of remuneration received or that may be received by the NEOs in the Company's most recently completed fiscal year ended December 31, 2021 in respect of compensating such officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

Golden Oak Corporate Services Ltd. (“Golden Oak”)

Pursuant to a consulting agreement (the “**Golden Oak Agreement**”) between the Company and Golden Oak, which through Golden Oak provides services as the Chief Financial Officer and Corporate Secretary, dated effective June 10, 2019, the Chief Financial Officer and Corporate Secretary receive an annual fee of \$200,000 for providing services as Chief Financial Officer and Corporate Secretary respectively. Golden Oak terminated the Golden Oak Agreement with effect on May 31, 2022.

If the Company terminates the Golden Oak Agreement without cause, the Company is required to pay to Golden Oak an amount equal to the annual fee.

The estimated incremental payments from the Company to Golden Oak on (i) termination or resignation of employment following a Change of Control; (ii) termination without cause, assuming the triggering event occurred on December 31, 2021, are as follows:

Name	Base Fee Value (\$)	Bonus Value (\$)	Benefits Value (\$)	Total Estimated Incremental Payment (\$)
Golden Oak	200,000	Nil	Nil	200,000

Oversight and description of director and NEO compensation

Compensation Discussion and Analysis

The Company's executive compensation program is administered by the Compensation Committee comprised of three directors of the Board of Directors, the majority of whom are independent. The Compensation Committee has, as part of its mandate, the responsibility for reviewing recommendations from management for subsequent approval by the Board of Directors with respect to the appointment and remuneration of executive officers of the Company. The Compensation Committee also monitors the performance of the Company's executive officers and reviews the design and competitiveness of the Company's executive compensation plans.

Composition of Compensation Committee

From October 2, 2020 until April 9, 2021, the Compensation Committee consisted of Peter Brieger, Ian Dawson and Peter Tegart, all of whom were considered independent. Since April 9, 2021, the Compensation Committee now consists of Peter Brieger, Ian Dawson and Bruce Dawson, all of whom are considered independent.

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

Relevant Experience of the Compensation Committee

Peter Brieger

Peter Brieger has over 50 years' experience in Canadian investment business as a securities research analyst, market strategist and portfolio manager. Mr. Brieger is the co-founder of GlobelInvest Capital Management Inc. and built it into a nationally recognized portfolio management firm where he is currently Honorary Chairman.

Ian Dawson

Ian G. Dawson BA, MBA, President Dawson Group Limited. The Dawson Group is primarily involved in Construction (1922), Road Maintenance (1988) and Truck Sales, Service and Leasing (1991). Mr. Dawson has the necessary experience that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised at the Compensation Committee.

Peter Tegart

Peter Tegart is an Exploration Geologist and was Director, President and Chief Executive Office of Tesoro Minerals Corp until April 15, 2021. Mr. Tegart has the necessary experience that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised at the Compensation Committee. Mr. Tegart resigned as a director on April 9, 2021.

Bruce Dawson

Bruce Dawson, AScT, is Chair of Dawkam Holdings Ltd., a consortium of construction and real estate assets. Mr. Dawson started working for the family construction business in 1970 and developed his own successful construction firm in 1990. He is a former Director of the BC Roadbuilders & Heavy Construction Association, the Southern Interior Construction Association, and the Council of Construction Associations. Mr. Dawson has the necessary experience that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised at the Compensation Committee.

Director Compensation Program

Compensation of directors of the Company is reviewed annually and determined by the Board of Directors. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Until all board fees were cancelled until further notice on April 1, 2020, each non-management director was paid an annual retainer of \$30,000 and the Chairman an additional \$40,000 a year.

In the Board of Director's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board of Directors considers option grants to directors under the Company' Stock Option Plan from time to time, the Board of Directors does not employ a prescribed methodology when determining the grant or allocation of stock options. Other than the Stock Option Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Executive Compensation Program

While the Board of Directors has not adopted a written program concerning the compensation of NEOs, it has developed a consistent approach relating to executive compensation. The objective in the determination of executive compensation is the need to provide total compensation packages that will:

- ensure external competitiveness by developing and maintaining compensation levels that reflect current market rates of pay;
- promote pay-for-performance levels that reward consistently high-performance levels;
- provide the Company with the resources to recruit and retain a highly capable work force; and
- establish incentives to develop and achieve performance targets that maximize the success and value of the Company to the benefit of the Company's shareholders and other stakeholders.

The Company's executive compensation program is based on a pay-for-performance philosophy. It is designed to retain, encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long-term. The Compensation Committee reviews and recommends to the Board of Directors base salaries based on a number of factors enabling the Company to compete for and retain executives critical to the Company's long-term success. Incentive compensation in the form of cash bonuses is directly tied to corporate and individual performance. Share ownership opportunities through stock options are provided to align the interests of executive officers with the longer-term interests of shareholders. Independent consultants may be retained on an as needed basis by the Company to assess its executive compensation program.

Compensation for the NEO's, as well as for executive officers of the Company as a whole, consists of a base salary, along with annual incentive compensation in the form of consideration for a discretionary annual bonus, and a longer-term incentive in the form of grants of stock options. The Company attempts to pay competitively in the aggregate as well as deliver an appropriate balance between annual compensation (base salary and discretionary cash bonuses) and long-term compensation (stock options). The relative portions of annual compensation and long-term incentives for the CEO are intended to provide a significant portion of the executive's compensation through long-term incentives.

In determining specific compensation amounts for the NEOs, the Compensation Committee considers factors such as experience, individual performance, length of service, role in achieving corporate objectives, positive production, exploration and development results, stock price, and compensation compared to other employment opportunities for executives. As an executive officer's level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) and the mix of total compensation shifts towards annual bonuses, and in particular, stock options, thereby increasing the mutuality of interest between executive officers and shareholders. The Company does not have precise criteria or formulas to determine global remuneration of NEO's and uses its senior officers and Board of Directors' experience and knowledge of the market to do so. The Company's compensation program is designed to reward NEO's for the success of the Company in achieving its technical and financial objectives.

Compensation Risk Assessment and Mitigation

Although the Company does not have formal policies specifically targeting risk taking in a compensation context, the practice of the Compensation Committee and the Board of Directors is to consider all factors related in an executive's performance, including any risk mitigation efforts, in determining compensation.

Under the Company's policies, NEOs and directors are not permitted to purchase financial instruments, (including, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds), that are designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by the NEO or director.

The Company operates in a volatile market and the following elements of the compensation package are required to provide the motivation to NEO's and other employees and achieve retention of the Company's skilled people in such market.

Base Salary

Senior management of the Company make recommendations to the Compensation Committee, as applicable, as to base salaries for officers and employees at all levels of the Company based on assigned responsibilities, the performance of each of the officers and employees as well as the overall financial performance of the Company. The level of base salary for each employee within a specified range is determined by the level of past performance as well as by the level of responsibility, the importance of the position to the Company and market factors. The NEO's employment contracts will be reviewed periodically and adjusted as a result of the economic situation in which the Company finds itself, subject to acceptance of the NEO's.

Annual Discretionary Bonuses

The Board of Directors determines, on a discretionary basis, incentive awards or bonuses to be paid by the Company to the executive officers of the Company, if any, in respect of a particular fiscal year, following recommendations from the Compensation Committee. The CEO makes recommendations to the Compensation Committee who determine, on a discretionary basis, bonuses to be paid by the Company to all other eligible employees and consultants of the Company in respect of a fiscal year. Corporate performance is assessed by reference to a number of factors, including the Company's progress and development, corporate and operations efficiency and success in enhancing shareholder value. Individual performance is measured by reviewing personal performance and other significant factors, such as level of responsibility and importance of the position to the Company. The individual performance factor allows the Company to recognize and reward those individuals whose efforts have particularly assisted the Company to attain its corporate performance objectives.

The Company did not pay any bonuses in 2020 or 2021.

Defined Benefit or Actuarial Plan Disclosure

The Company does not provide retirement benefits for its NEO's other than as referred to herein.

PART 4 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information in respect of securities authorized for issuance under the Company's equity compensation plans as at December 31, 2021.

Plan Category	Number of securities to be issued on exercise	Weighted-average exercise price of outstanding securities	Number of securities available for future issuance
Equity compensation plans approved by shareholders	5,885,000	C\$0.167	5,825,418
Equity compensation plans not approved by shareholders	-	-	-
Total	5,885,000	C\$0.167	5,825,418

PART 6 – AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committees charter, composition of the audit committee and the fees paid to the external auditor. Accordingly, the Company provides the following disclosure with respect to its Audit Committee.

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee has a charter that sets out its mandate and responsibilities. A copy of the charter is attached to this Information Circular as Appendix “A”.

COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Audit Committee are Peter Brieger, Ian Dawson and Chris Zerga ⁽¹⁾ all of whom are financially literate ⁽²⁾.

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member’s independent judgement. In accordance with NI 52-110,.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

RELEVANT EDUCATION AND EXPERIENCE

In accordance with NI-52-110 Peter Brieger, the Chair of the Audit Committee, and Ian Dawson are independent, and Chris Zerga being a member of management is not considered to be independent. The relevant education and experience of such members is as follows:

PETER BRIEGER

Peter Brieger has over 50 years’ experience in Canadian investment business as a securities research analyst, market strategist and portfolio manager. Mr. Brieger is the co-founder of GlobInvest Capital Management Inc. and built it into a nationally recognized portfolio management firm where he is currently Honorary Chairman.

IAN DAWSON

Ian G. Dawson BA, MBA, President Dawson Group Limited. The Dawson Group is primarily involved in Construction (1922), Road Maintenance (1988) and Truck Sales, Service and Leasing (1991). Mr. Dawson is considered to be “financially literate” in that he has the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s consolidated financial statements.

CHRIS ZERGA

Chris Zerga has more than 35 years of mining experience through-out the USA., with a focus in Nevada. He has held several senior level executive positions, including General Manager and President of the Company until June 2020 and since August 2020 a director and General Manager of NSJ Gold Corp, active in Nevada and listed on the Canadian Securities Exchange and in the past with multiple major and junior mining companies. Mr. Zerga is well qualified to have the ability to read and understand financial statements

that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's consolidated financial statements.

Based on their business and educational experiences, each Audit Committee member has a reasonable understanding of the accounting principles used by the Company; an ability to assess the general application of such principles in connection of the accounting for estimates, accruals and reserves; experience analyzing and evaluating financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

AUDIT COMMITTEE OVERSIGHT

At no time was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

RELIANCE ON CERTAIN EXEMPTIONS

During the most recently completed financial year, the Company relied on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

During the most recently completed financial year, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (De Minimus Non-audit Services), subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), subsection 6.1.1(5) (Events Outside Control of Member), subsection 6.1.1(6) (Death, Incapacity or Resignation), and any exemption, in whole or in part, in Part 8 (Exemptions).

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee is authorized by the Board of Directors to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

EXTERNAL AUDITOR SERVICE FEES

Except as noted, all dollar amounts herein are in Canadian dollars. Fees, for professional services rendered by Davidson & Company LLP to the Company were:

	Fiscal Year Ended December 31, 2021 (\$)	Fiscal Year Ended December 31, 2020 (\$)
Audit Fees ⁽¹⁾	50,610	50,000
Audit Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	30,400	31,300
All other Fees ⁽⁴⁾	Nil	Nil

Notes:

- (1) "Audit Fees" represent the fees for the audit of the Company's consolidated financial statements for the fiscal year ended December 31, 2021, and December 30, 2020.
- (2) "Audit Related Fees" represent the fees for the review of the Company's interim consolidated financial statements and services normally provided by the accountant in connection with the Company's interim statutory and regulatory filings.
- (3) "Tax Fees" represent the fees for tax services consisting of tax compliance and tax planning and advice.
- (4) "All Other Fees" represent the fees for products and services not disclosed in (2), (3) or (4) above.

PART 7 - CORPORATE GOVERNANCE DISCLOSURE

On June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") came into force in every province and territory in Canada. In addition, the Company is subject to NI 52-110 which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees and defines the meaning independence with respect to directors. These instruments and policies reflect current regulatory guidelines of the Canadian Securities Administrators ("CSA"). The following is a summary of Scorpio Gold's approach to Corporate Governance.

INDEPENDENCE OF MEMBERS OF BOARD

The Board of Directors currently consists of four directors, however Bruce Dawson will not be standing for re-election. Two directors are independent based upon the tests for independence set forth in NI 52-110. Chris Zerga is not independent as he is the current President and Chief Executive Officer of Company. Peter Brieger and Ian Dawson are independent.

MANAGEMENT SUPERVISION BY BOARD

The operations of the Company do not support a large board of directors and the Board has determined that the current size and constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability, having strong independent Board members and implementing reporting mechanisms to inform the Board of management's operation of the Company. The independent directors are able to meet at any time without any members of management including the non-independent director being present.

DIRECTORSHIPS

Certain directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Directorships (other reporting issuer or equivalent in a foreign jurisdiction)
Chris Zerga	NSJ Gold Corp

ORIENTATION AND CONTINUING EDUCATION

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
2. access to management and technical experts and consultants;
3. copies of all Company policies; and
4. a summary of significant corporate and securities law responsibilities.

Board members are encouraged to communicate with management, auditors, legal advisors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

ETHICAL BUSINESS CONDUCT

The Board views good corporate governance as an integral component to the success of the Company and to meeting its responsibilities to Shareholders. The Board has adopted a Code of Business Conduct and Ethics, as amended (the "**Code**"). The Code has been filed on SEDAR and is available under the Company's profile at www.sedar.com.

The Audit Committee ensures that all directors, officers and employees abide by the Code. The Audit Committee has not been advised of any conduct of the directors, officers or employees of the Company that constitutes a departure from the Code.

The Code has been developed to communicate to directors, officers and employees standards for business conduct in the use of Company time, resources and assets and, to identify and clarify proper conduct in areas of potential conflict of interest. Each director, officer and employee is provided with a copy of the Code, and if requested by the Company asked to sign an acknowledgement that the standards and principles of the Code will be maintained at all times on the Company's business.

The Code is designed to deter wrongdoing and promote (a) honest and ethical conduct; (b) compliance with laws, rules and regulations; (c) prompt internal reporting of Code violations; and (d) accountability for adherence to the Code. Violations from standards established in the Code, and specifically under "Whistleblower" situations, are reported to the Chairperson of the Audit Committee and can be reported anonymously. The Chairperson of the Audit Committee will report to the Board any reported violations at least quarterly or, more frequently depending on the specifics of the reported violation. To date there have been no reported violations of the Code.

NOMINATION OF DIRECTORS

The Company has a Nomination and Corporate Governance Committee, the majority of the members which are directors independent of management, which has the responsibility for identifying potential Board candidates. The Nomination and Corporate Governance Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates. If a candidate looks promising, the Nomination and Corporate Governance Committee will conduct due diligence on the candidate and, if the results of the due diligence are satisfactory, the candidate is invited to join the Board.

COMPENSATION OF DIRECTORS, THE CHIEF EXECUTIVE OFFICER AND OTHER KEY OFFICERS

The Company has a Compensation Committee currently composed of Peter Brieger, Ian Dawson and Bruce Dawson.

The Compensation Committee have the responsibility for determining compensation for the directors and senior management.

For a discussion of the factors considered by the Compensation Committee in determining the compensation payable to the Chief Executive Officer and other key officers, see “Part 4 – Executive Compensation”.

OTHER BOARD COMMITTEES

The Board has no other Committees.

ASSESSMENTS

The Board does not consider that formal assessments of the Board, its committees and individual directors would be useful at this stage of the Company’s development. The Board conducts informal annual assessments of the Board’s effectiveness, the individual directors and each of its committees. As part of the assessments, the Board or the individual committees may review its mandate and conduct reviews of applicable corporate policies.

PART 8 – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS

Since January 1, 2021, the beginning of the Company’s last completed financial year, no current or former director, executive officer or employee of the Company, or of any of its subsidiaries, has been indebted to the Company or to any of subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, there are no material interests, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management functions of the Company are not performed, to any substantial degree, by a person or persons other than the directors or executive officers of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year ended December 31, 2021, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon, other than the election of directors or the renewal of the Option Plan.

OTHER BUSINESS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of the Proxy to vote the Shares represented in accordance with their best judgment on the matter.

ADDITIONAL INFORMATION

You may obtain additional financial information about Scorpio Gold in our Financial Statements and Management's Discussion and Analysis for the fiscal year ended December 30, 2021, by completing the enclosed Financial Statement Request Form, which is being mailed with this Information Circular. Copies may be obtained free of charge upon request to the Company at Suite 910 – 800 West Pender St., Vancouver, BC V6C 2V6. You may also access our disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com or the Company's website at www.scorpogold.com.

BOARD APPROVAL

The contents of this Information Circular have been approved, and its mailing has been authorized by the Directors of the Company.

Dated at Vancouver, British Columbia, this 11th day of November, 2022.

ON BEHALF OF THE BOARD,

"Chris Zerga"

Chief Executive Officer and Director

APPENDIX "A"

AUDIT COMMITTEE CHARTER

(Adopted by the Board of Directors on December 1, 2009)

A. PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Corporation's financial and auditing personnel;
 - (iv) co-operation received from the Corporation's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Corporation;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and

- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- 3. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors are to:
 - (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
 - (b) review and approve the internal audit plan; and
 - (c) review significant internal audit findings and recommendations, and management's response thereto.
- 4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:
 - (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- 5. The Committee is also charged with the responsibility to:
 - (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to shareholders;
 - (ii) the annual information form;
 - (iii) annual and interim MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Corporation; and
 - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;

- (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Corporation's consolidated financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

APPENDIX “B

2022 OPTION PLAN

SCORPIO GOLD CORPORATION

STOCK OPTION PLAN

Effective Date: [●], 2022

Approved by the Board of
Directors on [●], 2022.

Approved by the
Shareholders on [●], 2022.

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STOCK OPTION PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

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

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings:

“**Applicable Laws**” means the applicable laws and regulations and the requirements or policies of any governmental, regulatory authority, securities commission and stock exchange having authority over the Corporation or the Plan;

“**Black-Out**” means a restriction formally imposed by the Corporation, pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, on all or any of its Participants whereby such Participants are prohibited from exercising, redeeming or settling their Options;

“**Board**” means the board of directors of the Corporation;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver are open for commercial business during normal banking hours;

“**Cause**” means:

- (a) unless the applicable Option Certificate states otherwise, with respect to any Employee, Officer or Consultant:
 - (i) if such Employee, Officer or Consultant is a party to an employment or service agreement with the Corporation or any of its Subsidiaries and such agreement provides for a definition of Cause, the definition contained therein; or
 - (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the employment or service agreement of such Employee, Officer or Consultant, without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (A) the failure of the Employee, Officer or Consultant to carry out its duties properly or to comply with the rules, policies and practices of the Corporation or any of its Subsidiaries, as applicable; (B) a material breach of any agreement with the Corporation or any of its

Subsidiaries, as applicable, or a material violation of any written policy of the Corporation or any of its Subsidiaries, as applicable; (C) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (D) a material fiduciary breach with respect to the Corporation or any of its Subsidiaries, as applicable; (E) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Subsidiaries; or (F) gross negligence or willful misconduct with respect to the Corporation or any of its Subsidiaries; and

- (b) with respect to any Director, the removal of a Director before the expiration of his or her term of office by any method permitted by the Corporation's Articles;

"Change of Business" has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

"Change in Control" means the occurrence of any one or more of the following events:

- (a) the direct or indirect acquisition or conversion from time to time of more than 50% of the issued and outstanding Shares, in aggregate, by a Person or group of Persons acting in concert, other than through an employee share purchase plan or employee share ownership plan;
- (b) a change in the composition of the Board which results in the majority of the directors of the Corporation not being individuals nominated by the Corporation's then incumbent directors; or
- (c) a merger, amalgamation, arrangement or reorganization of the Corporation with one or more corporations as a result of which, immediately following such event, the shareholders of the Corporation as a group, as they were immediately prior to such event, hold less than a majority of the outstanding Voting Shares of the surviving corporation;

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

"Committee" has the meaning set forth in Section 3.2;

"Company" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"Consultant" means:

- (a) a Person (other than an Executive or Employee) that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its Subsidiaries, other than services provided in relation to a distribution of securities (as defined under Applicable Laws);
 - (ii) provides the services under a written contract between the Corporation or any of its Subsidiaries and the individual or the Corporation, as the case may be; and

- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its Subsidiaries, or
- (b) an individual (other than a Director, Officer or Employee) employed by a Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;

“**Corporate Policies**” means any of the policies of the Corporation;

“**Corporation**” means Scorpio Gold Corporation;

“**Date of Grant**” means, for any Option, the date specified by the Plan Administrator at the time it grants the Option (which, for greater certainty, shall be no earlier than the date on which the Board meets or otherwise acts for the purpose of granting such Option) or if no such date is specified, the date upon which the Option was granted;

“**Director**” means a director (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“**Disabled**” or “**Disability**” means a physical injury or mental incapacity of a nature which the Plan Administrator determines prevents or would prevent the Participant from satisfactorily performing the substantial and material duties of his or her position with the Corporation or any of its Subsidiaries;

“**Effective Date**” means the date the Plan becomes effective, which shall be upon receipt of all shareholder and regulatory approvals;

“**Employee**” means an individual who:

- (a) is considered an employee of the Corporation or any of its Subsidiaries under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (b) works full-time for the Corporation or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or of a Subsidiary of the Corporation, as the case may be, but for whom income tax deductions are not made at source; or
- (c) works for the Corporation or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or any of its Subsidiaries;

“**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out in the Option Certificate (or in such other form as may be approved by the Plan Administrator, duly executed by the Participant);

“**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Date of Grant through to and including the Expiry Time on the Expiry Date

provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained;

“**Exercise Price**” means the price at which an Option is exercisable as determined in accordance with Section 4.5;

“**Expiry Date**” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with Sections 4.10, 5.1, 7.2, or Article 6;

“**Expiry Time**” means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date;

“**Exchange**” means the TSXV and any other exchange on which the Shares are or may be listed from time to time;

“**Executive**” means an individual who is a Director or Officer;

“**Good Reason**” means any one or more of the following events occurring following a Change in Control and without the Participant’s written consent:

- (a) the Participant is placed in a position of lesser stature than its current position and, is assigned duties that would result in a material change in the nature or scope of powers, authority, functions or duties inherent in such a position immediately prior to the Change in Control;
- (b) a material decrease in the Participant’s base salary or a material decrease in the Participant’s short-term incentive grants, long-term incentive grants, benefits, vacation or other compensation;
- (c) a requirement that the Participant relocate to a location greater than 40 kilometers from the Participant’s primary work location immediately prior to the Change in Control; or
- (d) any action or event that would constitute constructive dismissal of the Participant at common law;

“**Insider**” means:

- (a) a Director or senior officer of the Corporation;
- (b) a Director or senior officer of a Company that is an Insider or a Subsidiary of the Corporation;
- (c) a Person that has:
 - (i) beneficial ownership of, or control or direction over, directly or indirectly; or
 - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly;

securities of the Corporation carrying more than 10% of the voting rights attached to all the Corporation’s outstanding voting securities, excluding, for the purpose of the

calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution; or

- (d) the Corporation if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security;

“**Investor Relations Service Providers**” has the meaning attributed thereto in Policy 4.4;

“**Market Price**” means the market value of the Shares as determined in accordance with Section 4.5;

“**Officer**” means an officer (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“**Option**” means an incentive share purchase option granted pursuant to the Plan entitling a Participant to purchase Shares of the Corporation;

“**Option Certificate**” means a certificate issued by the Corporation in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Option has been granted under the Plan and which need not be identical to any other such certificates;

“**Outstanding Options**” has the meaning ascribed to it in Section 3.7;

“**Participant**” means an Executive, Employee or Consultant to whom an Option has been granted under the Plan;

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

“**Personal Representative**” means: (i) in the case of a deceased Participant, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of a Participant who, for any reason, is unable to manage his or her affairs, the Person entitled by law to act on behalf of such Participant;

“**Plan**” means this Option Plan, as may be amended from time to time;

“**Plan Administrator**” means the Board, or if the administration of the Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“**Policy 4.4**” means Policy 4.4 – *Security Based Compensation*, as amended from time to time, of the TSXV Manual;

“**Prior Plan**” means the Corporation’s prior stock option plan;

“**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of the Plan or for the Options granted from time to time hereunder;

“**Regulatory Authorities**” means all Exchanges and all securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation, the Plan or the Options granted from time to time hereunder;

“**Reorganization**” has the meaning attributed thereto in Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets*, as amended from time to time, of the TSXV Manual;

“**Reverse Takeover**” has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

“**Securities Act**” means the *Securities Act* (British Columbia, RSBC 1996, c. 418 as from time to time amended);

“**Security Based Compensation Arrangement**” for the purposes of the Plan means any option, share option plan, share incentive plan, employee share purchase plan where the Corporation provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation’s treasury to Executives, Employees or Consultants, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation’s treasury or arrangements under which compensation arrangements are settled solely in cash and/or securities purchased on the secondary market;

“**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to a Company;

“**Share**” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or after an adjustment contemplated by Article 7, such other shares or securities to which the holder of an Option may be entitled as a result of such adjustment;

“**Shareholder Approval**” means approval by the Corporation’s shareholders in accordance with the policies of the Exchange;

“**Subsidiary**” has the meaning attributed thereto in the Securities Act;

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

“**Termination Date**” means (i) the date designated by the Participant and the Corporation or a Subsidiary of the Corporation in a written employment agreement, or other written agreement between the Participant and Corporation or a Subsidiary of the Corporation, or (ii) if no written agreement exists, the date designated by the Corporation or a Subsidiary of the Corporation, as the case may be, on which a Participant ceases to be an employee of the Corporation or a Subsidiary of the Corporation or ceases to provide services to the Corporation or a Subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment or termination of services by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not mean the date of termination of any period of reasonable notice that the Corporation or a Subsidiary of the Corporation, as applicable, may be required by law to provide to the Participant;

“**Triggering Event**” means:

- (a) the proposed dissolution, liquidation or wind-up of the Corporation;
- (b) a proposed Change in Control;

- (c) the proposed sale or other disposition of all or substantially all of the assets of the Corporation; or
- (d) a proposed material alteration of the capital structure of the Corporation which, in the opinion of the Plan Administrator, is of such a nature that it is not practical or feasible to make adjustments to the Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect;

“**TSXV**” means the TSX Venture Exchange;

“**TSXV Manual**” means the TSXV Corporate Finance Manual;

“**U.S. Option Holder**” means a Participant who is a citizen or resident of the United States (including its territories, possessions and all areas subject to its jurisdiction).

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**Vested**” means a portion of the Option granted to the Participant which is available to be exercised by such Participant at any time and from time to time;

“**Voting Share**” means a security of a Company that:

- (a) is not a debt security; and
- (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing; and

“**VWAP**” means the volume-weighted average trading price of the Shares on the TSXV calculated by dividing the total value by the total volume of the Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the TSXV may exclude internal crosses and certain other special terms trades from the calculation.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of the Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section” and “clause” mean and refer to the specified Article, Section and clause of the Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.

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

ARTICLE 3 ADMINISTRATION

3.1 Administration

Subject to and consistent with the terms of the Plan, Applicable Laws and the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Plan will be administered by the Plan Administrator, and the Plan Administrator has sole and complete authority, in its discretion, without limitation, to:

- (a) determine the Persons who are eligible to be Participants in accordance with Section 3.4;
- (b) make grants of Options under the Plan relating to the issuance of Shares in such amounts, to such Participants and, subject to the provisions of the Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Options may be granted, including the applicable Date of Grant
 - (ii) the conditions under which an Option or any portion thereof may be granted to a Participant including, without limitation, the Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) the consequences of a termination with respect to an Option;
 - (iv) the number of Shares subject to each Option;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Option, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Option, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of the Option Certificate and Exercise Notice;
- (d) amend the terms of any Option, subject to and in accordance with the terms and conditions of the Plan;
- (e) cancel, amend, adjust or otherwise change any Option under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Plan, including but not limited to:
 - (i) allowing non-Vested Options to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or Disability;

- (ii) providing that the Options with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
 - (iii) providing for the continuation of any Option for such period which is not longer than 12 months from the Termination Date or 12 months from the date of death or Disability of the Participant, and upon such terms and conditions as are determined by the Plan Administrator in the event that a Participant ceases to be an Executive, Employee or Consultant, as the case may be;
 - (iv) providing that Vested Options may be exercised for periods longer or different from those set forth in the Plan, subject to the applicable rules of the Exchange; and
 - (v) setting any other terms for the exercise or termination of an Option upon termination of employment or service;
- (f) construe and interpret the Plan and all Option Certificates;
 - (g) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Price of the Shares;
 - (h) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
 - (i) determine whether, to what extent, and under what circumstances an Option may be exercised in cash, through a cashless exercise or through net exercise pursuant to Section 4.8;
 - (j) determine the duration and purposes of leaves of absence from employment or engagement by the Corporation which may be granted to Participants without constituting a termination of employment or engagement for purposes of the Plan;
 - (k) authorize Persons to execute such documents and instruments as may be necessary to carry out the purposes of the Plan and grants of Options from time to time hereunder;
 - (l) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan; and
 - (m) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by Applicable Law, the Board may, from time to time, delegate to a committee of the Corporation (the “**Committee**”), consisting of not less than two of its members, all or any of the powers conferred on the Plan Administrator pursuant to the Plan, including the power to sub-delegate to any specified Directors or Officers all or any of the

powers delegated by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.

- (c) In the event the Board delegates to the Committee all or any of the powers conferred on the Plan Administrator pursuant to the Plan, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of the Plan in this context is final and conclusive and binding on the Corporation and all affiliates of the Corporation, all Participants and all other Persons.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration interpretation of the Plan is final, conclusive and binding on all affected Persons, including the Corporation and any of its Subsidiaries, the affected Participants and their Personal Representatives, any shareholder of the Corporation and all other Persons.

3.4 Eligibility

Subject to the discretion of the Plan Administrator, all Executives, Employees and Consultants are eligible to participate in the Plan. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Executive, Employee or Consultant any right to receive any grant of an Option pursuant to the Plan. In addition, in order to be eligible to receive Options, in the case of Employees and Consultants, the Option Certificate to which they are a party must contain a representation of the Corporation and of such Employee or Consultant, as the case may be, that such Employee or Consultant is a bona fide Employee or Consultant of the Corporation or a Subsidiary of the Corporation, as the case may be. Options may be granted to a Company that is wholly-owned by an individual Executive, Employee or Consultant.

For clarity, Investor Relations Service Providers may not be granted any other Security Based Compensation Arrangements except for Options under the Plan.

3.5 Board Requirements

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

3.6 **Liability Limitation and Indemnification**

No member of the Board or the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Option Certificate or any Option granted hereunder.

3.7 **Total Shares Subject to Options**

Subject to adjustment pursuant to Article 7, the number of Shares hereby reserved for issuance to Participants under the Plan shall not exceed 10% of the number of Shares which are issued and outstanding on the particular date of grant of Options. There are stock options (the “**Outstanding Options**”) outstanding on the date hereof which were granted under the Prior Plan, which will remain in full force and effect in accordance with their terms. The number of Shares issuable upon exercise of the Outstanding Options shall be included in the calculation of the maximum number of Shares issuable pursuant to Options. Any Shares subject to an Option which has been granted under the Plan and which has been cancelled, terminated, surrendered, forfeited or expired without having been exercised as provided for in the Plan shall again be available under the Plan.

3.8 **Limits on Options**

Notwithstanding anything in the Plan, if the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:

- (a) unless disinterested Shareholder Approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV):
 - (i) the maximum number of Shares that may be issued to any one Participant (and where permitted pursuant to the policies of the TSXV, any Company that is wholly-owned by the Participant) under the Plan, together with all of the Corporation’s other Security Based Compensation Arrangements, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Date of Grant;
 - (ii) the maximum number of Shares that are issuable pursuant to all the Corporation’s Security Based Compensation Arrangements granted or issued in any 12-month period to Insiders (as a group) must not exceed 10% of the issued Shares, calculated as at the date any security based compensation of the Corporation is granted or issued to any Insider; and
 - (iii) the maximum number of Shares that are issuable pursuant to all the Corporation’s Security Based Compensation Arrangements granted or issued to Insiders (as a group) must not exceed 10% of the issued Shares at any point in time;
- (b) the maximum number of Shares that may be issued to any one Consultant under the Plan, together with all of the Corporation’s other Security Based Compensation Arrangements, within a 12-month period, may not exceed 2% of the issued Shares calculated on the Date of Grant;
- (c) the maximum number of Shares issuable pursuant to Options which may be granted within any 12-month period to Investor Relations Service Providers (as a group) must not exceed 2% of the issued Shares calculated on the Date of Grant;

- (d) Options granted to Investor Relations Service Providers must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period; and
- (e) any Options granted to a Participant who ceases to be a Participant under the Plan for any reason whatsoever shall terminate at a date no later than 12 months from the date such Participant ceases to be a Participant under the Plan.

3.9 Option Certificates

Each Option under the Plan will be evidenced by an Option Certificate. Each Option Certificate will be subject to the applicable provisions of the Plan and will contain such provisions as are required by the Plan and any other provisions that the Plan Administrator may direct.

3.10 Non-transferability of Options

Except to the extent that certain rights may pass to a beneficiary or Personal Representative upon death of a Participant by will or as required by law, no Option is assignable or transferable.

3.11 Resale Restrictions

Any Shares issued by the Corporation upon exercise or settlement of an Option are subject to any resale and trading restrictions in effect pursuant to Applicable Laws and the policies of the Exchange, and the Corporation shall be entitled to place any restriction or legend on any certificates representing such Shares accordingly. Any Option Certificate will bear the following legend, if required pursuant to the policies of the TSXV:

“Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate, and any securities issued upon exercise hereof, may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[NTD: The date that is four months and one day after the date of the grant of the Option will be inserted].**”

Any certificate representing Shares issued pursuant to an exercise of an Option before the date that is four month and one day after the date of grant of an Option will bear the following legend, if required pursuant to the policies of the TSXV:

“Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[NTD: The date that is four months and one day after the date of the grant of the Option will be inserted].**”

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to Corporate Policies, the provisions of the Plan and such other terms and conditions as the Plan Administrator may determine, grant Options to any

Participant, and in doing so, may, without limitation, in its discretion, (a) designate the Participants who may receive Options under the Plan, (b) fix the number of Options to be granted to each Participant and the date or dates on which such Options shall be granted, and (c) determine the relevant conditions and vesting schedules in respect of any Options.

4.2 Options Account

All Options received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation as of the Date of Grant. The terms and conditions of each Option grant shall be evidenced by an Option Certificate.

4.3 Exercise Period of Options

Subject to Sections 4.10, 5.1, and 7.4 and Article 6, the Date of Grant and the Expiry Date of an Option shall be the dates fixed by the Plan Administrator at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option, provided that the duration of such Option will not exceed the maximum term permitted by each organized trading facility on which the Shares are listed, being 10 years for the TSXV from the Date of Grant of such Option (subject to extension where the Expiry Date is within a Black-Out period pursuant to Section 5.1).

4.4 Number of Shares under an Option

The number of Shares which may be purchased pursuant to an Option shall be determined by the Plan Administrator and shall be set out in the Option Certificate issued in respect of the Option.

4.5 Exercise Price of an Option

The Exercise Price at which a Participant may purchase a Share upon the exercise of an Option shall be determined by the Plan Administrator and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Price of the Shares as of the Date of Grant. The Market Price of the Shares for a particular Date of Grant shall be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Price will be:
 - (i) the closing trading price of the Shares on the day immediately preceding the issuance of the news release announcing the grant of the Option, or
 - (ii) if, in accordance with the policies of the TSXV, the Corporation is not required to issue a news release to announce the grant and exercise price of the Option, the closing trading price of the Shares on the day immediately preceding the Date of Grant,

and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;

- (b) if the Shares are listed on more than one organized trading facility, the Market Price shall be the Market Price as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Plan Administrator, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;

- (c) if the Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Date of Grant, then the Market Price will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Plan Administrator; and
- (d) if the Shares are not listed on any organized trading facility, then the Market Price will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Plan Administrator to be the fair value of the Shares, taking into consideration all factors that the Plan Administrator deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length.

Notwithstanding anything else contained herein, in no case will the Market Price be less than the minimum prescribed by each of the organized trading facilities that would apply to the Corporation on the Date of Grant in question.

4.6 Vesting of Options and Acceleration

Subject to the limitations in Section 3.8 and all Applicable Laws, the vesting schedule for an Option, if any, shall be determined by the Plan Administrator and shall be set out in the Option Certificate issued in respect of the Option. The Plan Administrator may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Participant under Section 8.2 of the Plan. Notwithstanding the foregoing, if the Corporation is listed on the TSXV, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.

4.7 Additional Terms

Subject to all Applicable Laws and all necessary Regulatory Approvals, the Plan Administrator may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Corporation shall prevail over the terms and conditions in the Option Certificate.

4.8 Exercise of Options

An Option may be exercised only by the Participant or the Personal Representative of any Participant. A Participant or the Personal Representative of any Participant may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Plan Administrator the required Exercise Notice, the applicable Option Certificate and one of following forms of consideration, subject to Applicable Laws:

- (a) *Cash Exercise* - Consideration may be paid by a Participant sending a wire transfer, certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option.
- (b) *Cashless Exercise* - Subject to approval from the Plan Administrator and further subject to the Shares being traded on the Exchange, consideration may be paid by a Participant as follows: (i) a brokerage firm loans money to the Participant in order for the Participant to

exercise Options to acquire the underlying Shares (the “**Loan**”); (ii) the brokerage firm then sells a sufficient number of Shares to cover the Exercise Price of the Options that were exercised by the Participant in order to repay the Loan; and (iii) the brokerage firm receives an equivalent number of Shares from the exercise of the Options and the Participant receives the balance of the Shares or the cash proceeds from the balance of such Shares.

- (c) *Net Exercise* - Subject to approval from the Plan Administrator and further subject to the Shares being traded on the Exchange, consideration may be paid by reducing the number of Shares otherwise issuable under the Options such that, in lieu of a cash payment to the Corporation, a Participant, excluding Investor Relations Service Providers, only receives the number of Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the Exercise Price of the subject Options, by (ii) the VWAP of the underlying Shares. The number of Shares delivered to the Participant may be further reduced to satisfy applicable tax withholding obligations pursuant to Section 5.2. In the event of a net exercise, the number of Options exercised, surrendered or converted, and not the number of Shares issued, must be included in calculating the limits set forth in Sections 3.7 and 3.8.

4.9 **Issue of Share Certificates or Direct Registration Statements**

As soon as reasonably practicable following the receipt of the Exercise Notice, the Plan Administrator shall cause to be delivered to the Participant a certificate or direct registration statement for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Plan Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option, being the number of Shares subject to the Option Certificate surrendered less the number of Shares purchased and, if applicable, the number of Options exercised, surrendered or converted in accordance with Section 4.8(c), to the Participant concurrent with delivery of the certificate or direct registration statement for the Shares.

4.10 **Termination of Options**

Subject to such other terms or conditions that may be attached to Options granted hereunder, a Participant may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Plan Administrator at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, pursuant to Article 6.

ARTICLE 5 ADDITIONAL OPTION TERMS

5.1 **Black-Out Period**

If the Expiry Date for an Option occurs during the Black-Out period, then, notwithstanding any other provision of the Plan, the Option shall be extended no more than ten Business Days after the date the Black-Out is lifted by the Corporation, unless the delayed expiration would result in tax penalties or the Participant or the Corporation is subject to a cease trade order in respect of the Corporation’s securities.

5.2 Withholding Taxes

The granting, vesting or exercise of each Option under the Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or exercise, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or a Subsidiary of the Corporation is obliged to remit to the relevant taxing authority in respect of the granting, vesting or exercise of the Option. Any such additional payment is due no later than the date on which such amount with respect to the Option is required to be remitted to the relevant tax authority by the Corporation or a Subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or a Subsidiary of the Corporation to the Participant, (b) require the sale of a number of Shares issued upon exercise or vesting of such Option and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount or (c) enter into any other suitable arrangements for the receipt of such amount. If the Corporation is listed on the TSXV, the Corporation will ensure that any tax withholding made by the Corporation under the Plan is conducted in compliance with Policy 4.4.

Participants (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan, whether arising as a result of the grant or payment in respect of the Option or otherwise. The Corporation, the Plan Administrator and the Board make no guarantees to any Person regarding the tax treatment of an Option or issuances of Shares and none of the Corporation, the Board, the Plan Administrator or any of the Executives, Employees, Consultants, agents, advisors or representatives of the Corporation or the Subsidiary of the Corporation shall have any liability to a Participant with respect thereto.

5.3 Recoupment

Notwithstanding any other terms of the Plan, Options may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or a Subsidiary of the Corporation and in effect at the Date of Grant of the Option, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 5.3 to any Participant or category of Participants.

5.4 No Other Benefit

- (a) No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share or the value of any Option granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.
- (b) The Corporation makes no representations or warranties to Participants with respect to the Plan or any Options whatsoever. Participants are expressly advised that the value of any Options issued pursuant to the Plan will fluctuate as the trading price of the Shares fluctuates.
- (c) In seeking the benefits of participation in the Plan, the Participant shall exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of any Options.

ARTICLE 6
TERMINATION OF EMPLOYMENT OR SERVICES

6.1 Termination of Participant

Subject to Article 7 and unless otherwise determined by the Plan Administrator or as set forth in an Option Certificate:

- (a) where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, then each Option held by the Participant that has not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. The Plan Administrator, in its discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause. In addition, where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, the Plan Administrator may, in its discretion, determine that all Options held by the Participant that have Vested as of the Termination Date shall immediately become forfeited, cancelled, null and void, failing which, all Options held by the Participant that have Vested as of the Termination Date shall be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period;
- (b) where a Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant, then each Option held by the Participant that has not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. All Options held by the Participant that have Vested as of the Termination Date shall be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period;
- (c) where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice); then:
 - (i) subject to Section 4.6, a portion of any Options held by the Participant that are not yet Vested shall immediately vest, with such portion to be equal to the number of unvested Options multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date the unvested Options were originally scheduled to vest. For clarity and by way of example, if a Participant's employment is terminated 400 days following the Date of Grant and unvested Options were originally scheduled to vest 600 days from the Date of Grant, two-thirds of the unvested Options will immediately vest;
 - (ii) subject to Section 6.1(c)(i), any Options held by the Participant that are not yet Vested at the Termination Date after the application of Section 6.1(c)(i) shall be immediately forfeited to the Corporation; and

- (iii) any Options held by the Participant that have Vested as of the Termination Date or Vested pursuant to Section 6.1(c)(i) shall be settled in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period;
- (d) notwithstanding that such date may be prior to the Termination Date, a Participant's eligibility to receive further grants of Options under the Plan ceases as of the date that: (i) the Corporation or a Subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment or services are terminated in the circumstances contemplated by this Section 6.1, or (ii) the Participant provides the Corporation or a Subsidiary of the Corporation, as the case may be, with written notification of the Participant's voluntary resignation;
- (e) unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options shall not be affected by a change of employment agreement or arrangement, or directorship within or among the Corporation or a Subsidiary of the Corporation for so long as the Participant continues to be an Executive, Employee or Consultant, as applicable, of the Corporation or a Subsidiary of the Corporation.

6.2 Leave of Absence

If a Participant is on sick leave or other bona fide leave of absence, such Participant shall continue to be deemed a "Participant" for the purposes of an outstanding Option during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Plan Administrator in its discretion). If the period of leave exceeds 90 days (or such longer period as may be determined by the Plan Administrator in its discretion), the relationship shall be deemed to have been terminated by the Participant voluntarily on the 91st day (or the first day immediately following any period of leave in excess of 90 days as approved by the Plan Administrator) of such leave, unless the Participant's right to reemployment or reengagement of services with the Corporation or a Subsidiary of the Corporation, as applicable, is guaranteed by statute or contract.

6.3 Death or Disability

Subject to Section 4.6, where a Participant's employment or services are terminated by reason of the death of the Participant or the Participant becomes Disabled, then each Option held by the Participant that has not Vested as of the date of the death or Disability, as applicable, of such Participant shall vest on such date, and be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; and (ii) first anniversary of the date of the death or Disability of the Participant. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period. A Participant's eligibility to receive further grants of Options under the Plan ceases as of the date of the death or Disability of the Participant.

6.4 Discretion to Permit Acceleration

Notwithstanding the provisions of this Article 6, subject to Sections 3.8(d) and 4.6 and any necessary Regulatory Approvals, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in Article 6, permit the acceleration of vesting of any or all Options, all in the manner and on the terms as may be authorized by the Plan Administrator, and if such discretion is taken and the vesting of any or all Options occurs, then such Options will be exercised in accordance with Section 4.8.

ARTICLE 7
EVENTS AFFECTING THE CORPORATION

7.1 Change in Control

Subject to any necessary Regulatory Approvals:

- (a) Unless determined otherwise by the Plan Administrator, if within 12 months following the completion of a transaction resulting in a Change in Control, (i) a Participant's employment or directorship is terminated by the Corporation or a Subsidiary of the Corporation without Cause or (ii) a Participant resigns for Good Reason, without any action by the Plan Administrator, the vesting of all Options held by such Participant shall immediately accelerate and vest on the date of such Participant's termination or resignation for Good Reason and the Options shall be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.

- (b) Notwithstanding Section 7.1(a), the Plan Administrator may, without the consent of any Participant, and subject to prior TSXV acceptance pursuant to Section 8.2(a), as applicable, take such steps as it deems necessary or desirable in connection with a Change in Control, including, without limitation, to cause: (i) the conversion or exchange of any outstanding Options into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Options to vest and become realizable, or payable; (iii) restrictions applicable to an Option to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iv) the termination of an Option in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the settlement of such Option or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the settlement of such Option or realization of the Participant's rights, then such Option may be terminated by the Corporation without payment); (v) the replacement of such Option with other rights or property selected by the Board in its discretion; or (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 7.1(a), the Plan Administrator will not be required to treat all Options similarly in the transaction.

7.2 Triggering Events

Subject to any necessary Regulatory Approvals and notwithstanding any other provisions of the Plan or any Option Certificate, the Plan Administrator may, without the consent of the Participant in question cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event, provided that the Corporation must give written notice to the Participant in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Participant the opportunity to exercise the Vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Corporation proposes to terminate shall become immediately exercisable. Notwithstanding the

foregoing, if the Corporation is listed on the TSXV, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.

7.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control, or in the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control, that would warrant the amendment or replacement of any existing Options in order to adjust the number of Shares that may be acquired on the vesting of outstanding Options and/or the terms of any Option in order to preserve proportionately the rights and obligations of the Participants holding such Options, the Plan Administrator may, subject to the prior approval of the Exchange, if required, authorize such steps to be taken as it may consider to be equitable and appropriate to that end, including, but not limited to, permitting the immediate vesting of any unvested Options and amending the Exercise Price payable per Share. For greater certainty, neither this Section 7.3 nor any other provision in the Plan permit a Participant to receive additional security based compensation in lieu of dividends declared by the Corporation.

7.4 Assumptions of Options in Acquisitions

Notwithstanding any other provision of the Plan, in connection with a Reverse Takeover, a Change of Business, a Reorganization or an acquisition pursuant to Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* of the TSXV Manual, subject to prior TSXV acceptance, security based compensation of a target Company may be cancelled and replaced with substantially equivalent Options under the Plan without shareholder approval, provided that the rules of the TSXV are complied with.

7.5 No Restriction on Action

The existence of the Plan and of any Options granted hereunder shall not affect, limit or restrict in any way the right or power of the Corporation, the Board or the Corporation's shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise. No Participant or any other Person shall have any claim against any member of the Committee or the Corporation or any Employees, Officers or agents of the Corporation as a result of any such action.

7.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 7, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Options.

7.7 Fractions

No fractional Shares will be issued pursuant to an Option. Accordingly, if, as a result of any adjustment under this Article 7, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares (rounded down to the nearest whole number) and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 8 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

8.1 Discretion of the Plan Administrator

Subject to any Regulatory Approvals, including, where required, the approval of the TSXV and to Section 8.2, the Plan Administrator may, from time to time, without notice to or approval of the Participants or of the shareholders of the Corporation, amend, modify, change, suspend or terminate the Plan or any Options granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that, no such amendment, modification, change, suspension or termination of the Plan or any Options granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any Applicable Laws or Exchange requirements or as otherwise set out in the Plan.

8.2 Amendment of Option or Plan

Notwithstanding Section 8.1 and subject to any rules of the Exchange, if the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:

- (a) any adjustment to Options, other than in connection with a security consolidation or security split, is subject to the prior acceptance of the TSXV and the issuance of a news release by the Corporation outlining the terms thereof;
- (b) any amendment of an Option is subject to the prior acceptance of the TSXV, except for amendments to: (i) reduce the number of Shares that may be issued under such Option, (ii) increase the Exercise Price of such Option, or (iii) cancel such Option;
- (c) subject to any rules of the TSXV, approval of shareholders of the Corporation shall be required for any amendment to the Plan except for amendments to: (i) fix typographical errors, and (ii) clarify existing provisions of the Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and
- (d) any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option, held by an Insider at the time of the proposed amendment is subject to disinterested shareholder approval in accordance with the policies of the TSXV and the issuance of a news release by the Corporation outlining the terms thereof.

ARTICLE 9 MISCELLANEOUS

9.1 Legal Requirement

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

9.2 Rights of Participant

No Participant has any claim or right to be granted an Option and the granting of any Option is not to be construed as giving a Participant a right to remain as an Executive, Employee or Consultant of the Corporation or a Subsidiary of the Corporation. Neither the Participant nor such Participant's Personal Representatives shall have any rights whatsoever as a shareholder of the Corporation in respect of Shares issuable pursuant to any Option until the allotment and issuance to such Participant or the liquidator, executor or administrator, as the case may be, of the estate of such Participant, of certificates representing such Shares (or in the case of Shares issued in uncertificated form, receipt of evidence of a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Corporation).

9.3 Conflict

In the event of any conflict between the provisions of the Plan and the provisions of an Option Certificate, an employment agreement or another written agreement between the Corporation or a Subsidiary of the Corporation and a Participant, the provisions of the Plan shall govern.

9.4 Anti-Hedging Policy

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

9.5 No Guarantee of Tax Consequences

Neither the Plan Administrator nor the Corporation makes any commitment or guarantee that any specific tax treatment will apply or be available to the Participants.

9.6 Participant Information

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

9.7 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant.

9.8 Successors and Assigns

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

9.9 Severability

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

9.10 Notices

All written notices to be given by the Participant to the Corporation shall be delivered by (a) hand or courier, with all fees and postage prepaid, addressed using the information specified below, or designated otherwise by the Corporation in writing; or (b) email to the email address that the parties regularly use to correspond with one another or to any other email address specified by the Corporation in writing to the Participant:

Scorpio Gold Corporation
Suite 910 – 800 West Pender Street
Vancouver, BC V6C 2V6

Attention: Corporate Secretary

Such notices are, if delivered by hand or by courier, deemed to have been given by the sender and received by the addressee at the time of delivery. Any notice sent by email will be deemed to have been given by the sender and received by the addressee on the first Business Day after it was transmitted. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

9.11 Effective Date and Replacement

The Plan shall become effective upon the receipt of all required shareholder and regulatory approvals, being the Effective Date, and will replace the Prior Plan. All awards granted under the Prior Plan and which remain outstanding at the Effective Date will remain in full force and effect in accordance with their terms; however, following the Effective Date, no additional grants shall be made under the Prior Plan, and the Prior Plan will terminate on the date upon which no further Outstanding Options remain outstanding.

9.12 Governing Law

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

9.13 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including with respect to the grant of Options and any issuance of Shares made in accordance with the Plan.

9.14 Options Granted to U.S. Residents or Citizens

In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to Options granted to a Participant who is a citizen or resident of the United States, in each case as defined in section 7701(a)(30)(A) and 7701(b)(1) of the Code (a “**U.S. Option Holder**”).

Any Option granted under the Plan to a U.S. Option Holder may be an incentive stock option (an “**ISO**”) within the meaning of Section 422 of the Code, but only if so designated by the Corporation in the agreement evidencing such Option. No provision of this Plan, as it may be applied to a U.S. Option Holder with respect to Options which are designated as ISO’s, shall be construed so as to be inconsistent with any provision of Section 422 of the Code. Grants of Options to U.S. Option Holders pursuant to Article 4 hereof which are not designated as or otherwise do not qualify as ISO’s will be treated as non-statutory stock options for U.S. federal tax purposes. The aggregate number of Shares available for ISOs is 21,093,666, subject to adjustment pursuant to Section 7.3 and subject to the provisions of sections 422 and 424 of the Code.

(a) The following provisions apply to all Options granted to U.S. Option Holders:

- (i) The exercise price payable per Share upon exercise of an Option will not be less than 100% of the fair market value of a Share on the Date of Grant of such Option. Fair market value will be established using the closing trading price of a Share on the day immediately preceding the Date of Grant without application of any discount otherwise permitted by the applicable Regulatory Authorities, or by any other method of determining fair market value that is permitted under Section 409A of the Code and applicable regulations thereunder.
- (ii) Any adjustment to or amendment of an outstanding Option granted to a U.S. Option Holder with respect to the exercise price and number of Shares subject to an Option or with respect to the Expiry Date of an Option) will be made so as to comply with, and not create any adverse consequences under, section 409A of the Code;
- (iii) To the extent that any Option granted prior to the adoption of this Plan (a “**Pre-existing Option**”) otherwise would become subject to the terms of this Plan pursuant to Section 2.3, such Pre-Existing Option will be governed by the terms of this Plan only to the extent that any resulting change in the terms of the Pre-Existing Option does not provide a U.S. Option Holder with a direct or indirect reduction in the exercise price (regardless of whether such U.S. Option Holder in fact benefits from the change in terms) and does not otherwise constitute a modification of the Pre-existing Option that would result in adverse tax consequences under section 409A of the Code.

(b) The following provisions shall apply to ISO’s granted to each U.S. Option Holder:

- (i) ISO’s shall only be granted to individual U.S. Option Holders who are, at the time of grant, employees of the Corporation (within the meaning of section 422 of the Code). Any

director of the Corporation who is a U.S. Option Holder shall be ineligible to vote upon the granting of such Option.

- (ii) The aggregate fair market value (determined as of the time an ISO is granted) of the Shares subject to ISO's exercisable for the first time by a U.S. Option Holder during any calendar year under this Plan and all other stock option plans, within the meaning of Section 422 of the Code, of the Corporation shall not exceed One Hundred Thousand Dollars in U.S. funds (U.S.\$100,000).
- (iii) The Exercise Price for Shares under each ISO granted to a U.S. Option Holder pursuant to this Plan shall be not less than the fair market value of such Shares at the time granted, as determined in good faith by the directors at such time (unless such ISO is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code).
- (iv) Except as provided in section 9.14(b)(v) below, an ISO will terminate and no longer be exercisable no later than ten (10) years after the applicable Date of Grant.
- (v) if any U.S. Option Holder to whom an ISO is to be granted under the Plan at the time of the grant of such ISO is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation, then the following special provisions shall be applicable to the ISO granted to such individual. The Exercise Price (per Share) subject to such ISO shall not be less than one hundred ten percent (110%) of the fair market value of one Share at the Date of Grant and the exercise period shall not exceed five (5) years from the Date of Grant.
- (vi) No ISO may be granted hereunder to a U.S. Option Holder following the expiration of ten (10) years after the date on which this Plan is adopted by the Corporation or the date on which the Plan is approved by the shareholders of the Corporation, whichever is earlier.
- (vii) In the event that this Plan is not approved by shareholders of the Corporation within twelve (12) months before or after the date on which this Plan is adopted, any ISO granted under this Plan will automatically be deemed to be a Nonqualified Stock Option.
- (viii) An ISO may not be transferred, assigned, pledged, hypothecated or otherwise disposed of by a U.S. Option Holder, other than by will or the laws of descent and distribution.
- (ix) During the lifetime of the original grantee of an ISO, such ISO may not be exercised by anyone other than such grantee.
- (x) An ISO that is otherwise exercisable pursuant to section 6.3 of the Plan for a period of one year following termination of employment due to Disability will retain ISO status following the date that is three (3) months following such termination only if the disability meets the definition of disability under section 22(e)(3) of the Code. If the disability is not a disability as defined in section 22(e)(3) of the Code, and if the Option is not exercised within three (3) months of such termination of employment (but the Option remains exercisable), it will thereafter be treated as a non-qualified stock option.

9.15 United States Securities Law Compliance

Neither the Options which may be granted pursuant to the provisions of the Plan nor the Shares which may be purchased pursuant to the exercise of Options have been registered under the U.S. Securities Act or under any securities law of any state of the United States of America. Accordingly, any Option Holder who is granted an Option in a transaction and is a resident of the United States or otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States shall by acceptance of the Options be deemed to represent, warrant, acknowledge and agree that:

- (a) the Option Holder is acquiring the Options and any Shares acquired upon the exercise of such Options as principal and for the account of the Option Holder;
- (b) in granting the Options and issuing the Shares to the Option Holder upon the exercise of such Options, the Corporation is relying on the representations and warranties of the Option Holder contained in the stock option agreement relating to the Options to support the conclusion of the Corporation that the granting of the Options and the issue of Shares upon the exercise of such Options do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing shares issued upon the exercise of such Options shall bear the following legends:

“THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, (C) WITHIN THE UNITED STATES, WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION, PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided that if such Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Shares to the following effect:

“The undersigned (A) acknowledges that the sale of _____ common shares represented by Certificate Number(s) _____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S (“Regulation S”) under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and (B) certifies that (1) the undersigned is not an “affiliate” (as defined in Rule 405 under the U.S. Securities Act) of the Corporation or a “distributor”, as defined in Regulation S, or an affiliate of a “distributor”; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a “designated offshore securities market”

within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any person acting on its behalf engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings as used in Regulation S.”;

- (d) other than as contemplated by subsection (c) of this Section 9.15, prior to making any disposition of any Shares acquired pursuant to the exercise of such Options which might be subject to the requirements of the U.S. Securities Act, the Option Holder shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by subsection (c) of this Section 9.15, the Option Holder will not attempt to effect any disposition of the Shares owned by the Option Holder and acquired pursuant to the exercise of such Options or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Securities Act or any securities laws of any state of the United States of America and then will only dispose of such Shares in the manner so proposed;
- (f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Shares acquired by the Option Holder pursuant to the exercise of such Options shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Shares acquired by the Option Holder pursuant to the exercise of such Options is such that the Option Holder may not be able to sell or otherwise dispose of such Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by subsection (c) of this Section 9.15.

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