

## INFORMATION CIRCULAR

### **Annual General and Special Meeting of Shareholders to be held on Thursday, August 7, 2025**

This information circular dated June 27, 2025 (the "**Information Circular**") is furnished in connection with the solicitation of proxies by management of Stage Capital Corp. (the "**Company**"), as required under applicable corporate laws, for use at the annual general and special meeting of the holders ("**Shareholders**") of common shares of the Company ("**Common Shares**") to be held on Thursday, August 7, 2025, at 11:00 a.m. (Vancouver time) (the "**Meeting**") or at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

Unless stated otherwise, information contained in this Information Circular is given as of June 27, 2025.

#### **SOLICITATION OF PROXIES**

Enclosed with this Information Circular is a form of proxy for use at the Meeting. Shareholders are entitled to vote and encouraged to participate in the Meeting.

This proxy solicitation is by or on behalf of management, pursuant to mandatory solicitation requirements under applicable corporate law, and the individuals named in the form are the incumbent directors of the Company. The directors of the Company directly manage its business and affairs, without the appointment of a separate executive management team of corporate officers.

The costs incurred in the preparation and mailing of the Notice of Meeting, this Information Circular and the form of proxy will be borne by the Company. Management does not contemplate a solicitation of proxies other than by mail, though it may also solicit by telephone, email or other direct contact, and by the directors personally.

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with intermediaries to forward proxy materials to beneficial owners of Common Shares held of record by such intermediaries, and the Company may reimburse the reasonable fees and disbursements they incur in doing so.

#### **APPOINTMENT AND REVOCATION OF PROXIES**

**Registered Shareholders entitled to vote at the Meeting may, instead of in-person voting, appoint a nominee (who need not be a Shareholder) as proxyholder to represent them at the Meeting and vote their Common Shares in accordance with their directions.**

**The individuals named in the enclosed form of proxy are directors of the Company. A Shareholder may appoint as proxyholder a different person, other than the persons designated in the enclosed form of proxy, to represent them at the Meeting, by inserting the name of their chosen nominee in the blank space provided for that purpose on the enclosed form or by submitting another proper instrument of proxy. A Shareholder so appointing a different person should notify the chosen nominee of their appointment, obtain the nominee's consent to act as proxyholder, and instruct the nominee on how the Shareholder's shares are to be voted. In any case, the proxy should be dated and executed by the Shareholder or their attorney authorized in writing.**

**A proxy will not be effective for the Meeting or any adjournment thereof unless completed and received by the Company's registrar and transfer agent, Computershare Trust Company of Canada, at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting or adjournment.** Completed proxies may be delivered to Computershare Trust Company of Canada by mail, fax or hand delivery, at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, fax (416) 263- 9524 (Attention: Proxy Department). Registered shareholders may also give their proxy voting instructions by telephone at 1-866-732-VOTE (8683) or through the internet at [www.investorvote.com](http://www.investorvote.com) using the 15-digit control number found on their personalized form of proxy enclosed with this Information Circular.

In addition to revocation by any other manner permitted by law, a Shareholder who has given a proxy may revoke it, at any time before it is exercised, by instrument in writing executed by the Shareholder or by attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney duly authorized,

and deposited at the registered office of the Company at Suite 501, 3292 Production Way, Burnaby, British Columbia, V5A 4R4 (Attention: Corporate Services) up to and including the last business day before the day of the Meeting (or adjournment, as applicable) at which the proxy is to be used, or with the chair of the Meeting on the date thereof.

## NOTICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information above regarding the appointment and revocation of proxies is generally applicable only to registered Shareholders, being persons who are recorded as holders of Common Shares in the register of shareholders maintained by the Company's registrar and transfer agent. Only registered Shareholders or the persons they validly appoint as proxyholders are permitted to vote at the Meeting.

The information in this section is directed to beneficial owners of Common Shares who do not hold their Common Shares in their own name. Persons who beneficially own Common Shares but do not appear on the records of the Company as the registered holders thereof are referred to in this Information Circular as "**Beneficial Holders**". Common Shares owned by Beneficial Holders are typically registered in the name of an intermediary (such as a securities broker, investment dealer, bank, financial institution or trustee or administrator of RRSPs, RRIFs, RESPs and similar plans) or in the name of a depository of which the intermediary is a participant (or an agent or nominee of any of the foregoing). Common Shares listed in an account statement provided by a broker or other intermediary will typically (though not necessarily) be registered in this manner.

**Only proxies deposited by a person whose name appears on the records of the Company as a registered holder of Common Shares will be recognized and acted upon at the Meeting.**

In accordance with securities regulatory requirements, the Company will distribute copies of the Notice of Meeting, this Information Circular and, as required, a form of proxy (collectively, the "meeting materials") to applicable depositories and intermediaries (or their delegates) for onward distribution to Beneficial Holders.

Existing regulatory policy requires brokers and other intermediaries holding Common Shares on behalf of others to seek voting instructions from Beneficial Holders in advance of shareholder meetings. Each intermediary has its own mailing and delivery procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders in order to ensure that their Common Shares are voted at the Meeting.

The voting instruction form or other proxy document supplied to a Beneficial Holder by its broker or other intermediary (or its agent or nominee) may be very similar to the proxy form provided by the Company for use by registered Shareholders. Its purpose, however, is limited to instructing the registered Shareholder (the broker or other intermediary, or its agent or nominee) how to vote on behalf of the Beneficial Holder.

In Canada, most brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Investor Communication Solutions ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails that form to Beneficial Holders, and asks Beneficial Holders to return the form to Broadridge or otherwise communicate voting instructions to Broadridge (by way of internet or telephone-based procedures, for example). Broadridge then aggregates the results of all instructions received from Beneficial Holders and provides appropriate instructions respecting the voting of their Common Shares by proxy at the Meeting. **A Beneficial Holder who receives a voting instruction form from Broadridge (or otherwise from their broker or other intermediary) cannot use that form to vote Common Shares directly at the Meeting. Voting instruction forms must instead be returned, or voting instructions must otherwise be communicated, to Broadridge (or otherwise in accordance with the directions of the relevant broker or other intermediary) well in advance of the Meeting in order for the Common Shares to which the instructions relate to be properly voted at the Meeting.**

**If you are a Beneficial Holder and have questions regarding the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Unless specifically stated otherwise, all references to holders of Common Shares in the Notice of Meeting, this Information Circular and the enclosed form of proxy are to registered Shareholders (i.e., persons recorded in the Company's share registers as being a holder of Common Shares).

## VOTING OF PROXIES

Shareholders using the enclosed proxy form may instruct the proxyholder (whether the individuals named in the form or such other person as the Shareholder may appoint) how to vote their Common Shares by completing the voting directions contained therein.

On any vote that may be called for at the Meeting or any adjournment thereof, the individuals named in the enclosed proxy form will vote or withhold from voting the Common Shares in respect of which they are appointed proxyholder in accordance with the instructions of the Shareholder appointing them. **In the absence of any such direction, the Common Shares to which the proxy relates will be voted FOR each of the matters referred to in the Notice of Meeting and in this Information Circular.**

**The enclosed proxy form (in the absence of any alteration to the form) confers discretionary authority upon the individuals named therein to vote Common Shares and otherwise act in the proxyholder's discretion with respect to any amendments or variations to matters identified in the Notice of Meeting, and with respect to any other matters that may properly come before the Meeting or any adjournment thereof.** In the event of any such amendment, variation or other matter, the Common Shares represented by proxies in the enclosed form and appointing any of the individuals named therein as proxyholder, will be voted in accordance with the proxyholder's judgment.

At the date of this Information Circular, the Company knows of no such amendments, variations or other matters to come before the Meeting.

## NOTICE-AND-ACCESS

Applicable Canadian securities laws permit the use of a "notice-and-access" system for the distribution of proxy-related materials to shareholders, pursuant to which reporting issuers may effect the delivery of proxy-related materials for a meeting by posting them on SEDAR+ as well as another website, and sending a notice package to the shareholders receiving such materials under the notice-and-access system. The notice package must include (i) a voting instruction form, (ii) basic information about the meeting and the matters to be voted on at the meeting, (iii) instructions how to obtain a paper copy of the proxy-related materials, and (iv) a plain-language explanation of how the notice-and-access system operates and how the materials can be accessed online. Where prior consent has been obtained, a reporting issuer can send the notice package electronically. The notice package must otherwise be mailed.

The Company has elected to distribute the Notice of Meeting and this Information Circular to Beneficial Holders using the notice-and-access system. Accordingly, the Company will send the required notice package to Beneficial Holders, including instructions on how to access this Information Circular online through the internet and, if desired, request a paper copy. Distribution of proxy-related materials using the notice-and-access system substantially reduces printing and mailing costs to the Company, and lessens the environmental impact of unnecessarily producing and distributing unwanted paper copies.

Notwithstanding the notice-and-access system, the Company is still required under the *Business Corporations Act* (British Columbia) to send paper copies of its annual financial statements and proxy materials to registered Shareholders – other than registered Shareholders who have given written consent to electronic delivery or, in the case of financial statements, have informed the Company in writing that they do not want a copy. For corporate law compliance, registered Shareholders who have not yet consented to electronic delivery will be mailed a copy of the Notice of Meeting and this Information Circular.

The Company will not send its proxy-related materials directly to "non-objecting beneficial owners" under NI 54-101, and will not pay for proximate intermediaries to forward proxy-related materials and voting instruction forms to "objecting beneficial owners" under NI 54-101. Accordingly, objecting beneficial owners will not receive such materials unless their intermediary assumes the cost of delivery.

## VOTING SHARES, PRINCIPAL HOLDERS AND QUORUM

The Company is authorized to issue an unlimited number of Common Shares, of which **17,761,016** Common Shares are issued and outstanding. On all matters to be voted upon at the Meeting, Shareholders are entitled to one vote for each Common Share held. The Common Shares are the only voting securities of the Company.

The Company's directors fixed June 27, 2025 as the record date (the "**Record Date**") for determining Shareholders entitled to receive notice of the Meeting. A registered Shareholder of record at the close of business on the Record Date shall be entitled to vote the Common Shares registered in its name on that date, except to the extent that (i) it transfers any Common Shares after the Record Date, and (ii) the transferee of such Common Shares produces properly endorsed share certificates (or otherwise establishes ownership of the transferred Common Shares) and makes a demand to the registrar and transfer agent of the Company, not later than 10 days before the Meeting, that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

To the Company's knowledge, no person or company beneficially owns or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the votes that may be cast at the Meeting, except as set out below:

Shareholder Name	Number of Common Shares Held	Percentage of Outstanding Common Shares (undiluted)
Riaz Sumar	4,805,816	27.04%
Jeffrey Standen <sup>(1)</sup>	4,805,816	27.04%

**Notes:**

<sup>(1)</sup> These shares are held indirectly through Kinghorn Resources Ltd., a company owned by Jeffrey Standen.

At the Meeting, two or more persons present and holding or representing by proxy at least 5% of the outstanding Common Shares will constitute a quorum.

## MATTERS TO BE ACTED UPON AT THE MEETING

To the Company's knowledge, the only matters proposed to be submitted to the Meeting are those identified in the Notice of Meeting and more particularly discussed below.

### 1. Receipt of Annual Financial Statements

The audited financial statements of the Company for the financial years ended December 31, 2024, together with the auditor's report thereon, will be placed before the Meeting. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the directors, sent to registered Shareholders, and filed on SEDAR+ and are available electronically under the Company's issuer profile at [www.sedarplus.ca](http://www.sedarplus.ca), all in accordance with applicable legal requirements. Questions regarding the financial statements may, however, be brought forward at the Meeting.

### 2. Election of Directors

The Company's board of directors ("**Board**") is comprised of Garth Braun, Ron Schmitz and William Macdonald, each of whom was most recently elected as a director of the Company at the annual general meeting of Shareholders held on July 24, 2024. The shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at five (5) for the next year, subject to any increases permitted by the Company's Articles.

At the Meeting, management proposes to nominate two of the incumbent directors for re-election as a director of the Company along with three nominee directors as set out below, and submit to the Shareholders an ordinary resolution to elect each nominee as a director for the ensuing year, to hold office until the next annual meeting of Shareholders.

**Unless otherwise directed by the Shareholders appointing them as proxyholder, the individuals named in the enclosed proxy form intend to vote all Common Shares in respect of which they are appointed proxyholder FOR the election of each such nominee as a director of the Company for the ensuing year.**

The following table sets forth, for each director, his name and jurisdiction of residence, the date since which he has served as a director of the Company, his principal occupation, business or employment currently and during the past five years, and his shareholdings in the Company as at June 27, 2025.

<b>Name, Jurisdiction of Residence and Position with the Company</b>	<b>Principal Occupations</b>	<b>Director Since</b>	<b>Shares Beneficially Owned, Directly or Indirectly, Over Which Control or Direction is Exercised <sup>(1)</sup></b>
Garth Braun <sup>(2)</sup> British Columbia, Canada <i>Director and Chief Executive Officer</i>	Corporate Director since January 2019; Prior thereto, Chairman, Chief Executive Officer and President of Blackbird Energy Inc. (oil and gas exploration and production) from November 2009 to January 2019.	December 24, 2018	1,135,524 Common Shares
Ron Schmitz <sup>(2)</sup> British Columbia, Canada <i>Director and Chief Financial Officer</i>	Principal and President of ASI Accounting Services Inc. (professional accounting, consulting and administrative services) since 1995.	January 4, 2019	1,237,019 Common Shares
Jeffrey Standen British Columbia, Canada <i>Nominee Director</i>	Petroleum Landman, Businessman and President of Kinghorn Resources Ltd.	Nominee Director	4,805,816 Common Shares <sup>(3)</sup>
David Patterson British Columbia, Canada <i>Nominee Director</i>	Businessman. Co-Founder and Chief Executive Officer of Vested Technology Corp. and Chief Executive Officer of Quebec Nickel Corp.	Nominee Director	Nil
Owen Pinnell British Columbia, Canada <i>Nominee Director</i>	Founder and Director of White Owl Energy Services	Nominee Director	Nil

**Note:**

- (1) Includes Common Shares beneficially owned by the director and, as applicable, his spouse, as well as Common Shares over which the director has control or direction.
- (2) Member of Audit Committee.
- (3) These shares are held indirectly through Kinghorn Resources Ltd., a company owned by Jeffrey Standen.

Each individual elected as a director of the Company will hold office until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, or his office is earlier vacated, in accordance with applicable corporate law and the constating documents of the Company.

The following is biographical information relating to the nominee(s), including their principal occupations for the past five years:

**Jeffrey Standen** - A Petroleum Landman with over 45 years of industry related experience as senior management, executive, director and founder positions with numerous private and public energy companies. Renaissance Resources, Canadian Leader Energy, Centurion Energy International, Extreme Energy, Charger Energy, Vital Energy. Director and member of numerous audit, reserves and compensation committees for TSE, ASE, TSX, TSX-V, CDNX public companies.

**David Patterson** - Mr. Patterson is the Co-founder and CEO of Vested Technology Corp., a start-up equity crowdfunding portal. Mr. Patterson is a former CEO of Emerita Resources Corp., an exploration and development company listed on the TSXV. Mr. Patterson was also CFO of Donner Metals Ltd., a mineral exploration and development company listed on the TSXV. For more than 30 years he has been involved in the administration and

financing of exploration companies based in North America. He holds a Masters of Business Administration from Simon Fraser University (1991).

**Owen Pinnell** - Over 40 years of industry related experience. A founder, management, executive and directors of numerous private and public energy companies. Newalta, Anadime, i3 Capital, White Owl Energy Services.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Except as set out below, no director nominee:

- (a) is, or has within the past ten years been, a director, chief executive officer or chief financial officer of any entity that was the subject of a cease trade or similar order, or an order that denied it access to any exemption under securities legislation, that was in effect for more than 30 consecutive days and was either issued (i) while the nominee was acting in that capacity, or (ii) after the nominee ceased to act in that capacity but resulted from an event that occurred while the nominee was so acting;
- (b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority;
- (c) is, or has within the past ten years been, a director or executive officer of any entity that, while the nominee was acting in that capacity or within a year of ceasing to so act, became bankrupt, made a proposal under any bankruptcy or insolvency legislation 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
- (d) has, within the past ten years, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Mr. Braun served as Chief Financial Officer of Huldra Silver Inc. ("**Huldra**") from June 2010 until January 2015. Huldra commenced creditor protection proceedings under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") in July 2013, and completed a restructuring thereunder in November 2014 through implementation of a CCAA Plan of Compromise and Arrangement that was approved by the Huldra creditors in September 2014 and subsequently sanctioned by the Supreme Court of British Columbia.

Mr. Schmitz was appointed as a Director of Winfield Resources Limited ("**Winfield**") on February 2, 2022. Winfield was issued a cease trade order ("**CTO**") by the British Columbia Securities Commission on September 29, 2009, and amended on October 15, 2009. The Alberta Securities Commission (the "**ASC**") issued a CTO against Winfield on December 29, 2009. The CTO's were issued for failure to file its annual audited financial statements for the year ended March 31, 2009, its annual management's discussion and analysis for the year ended March 31, 2009 and related documents. Mr. Schmitz assisted Winfield with its filings and submissions to the BCSC and ASC and the CTO's were revoked on June 27, 2022 and brings Winfield into good standing.

### **3. Appointment of Auditor**

Shareholders will be asked to approve the re-appointment of Baker Tilly WM LLP, as the auditor of the Company to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Board.

*Management recommends that Shareholders vote for the confirmation and re-appointment of Baker Tilly WM LLP as the auditors of the Company until the next annual meeting of shareholders and to authorize the Board to fix their remuneration.*

Unless otherwise directed by the Shareholders appointing them as proxyholder, the individuals named in the enclosed proxy form intend to vote all Common Shares in respect of which they are appointed proxyholder **FOR** the re-appointment of Baker Tilly WM LLP as the auditor of the Company for the ensuing year, at such remuneration as may be determined by the Board.

#### 4. Approval of Stock Option Plan

On June 20, 2025, the Board approved the adoption of a 10% "rolling" stock option plan (the "**Option Plan**"), whereby the maximum number of common shares that may be reserved for issuance pursuant to the exercise of options is 10% of the issued and outstanding common shares from time to time, less any common shares reserved for issuance under all other share compensation arrangements. The purpose of the Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified executives, directors, employees and consultants, to incent such individuals to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long-term investments. A copy of the Option Plan is attached to this Information Circular as Appendix "B". The Option Plan has not been previously approved by the shareholders of the Company.

The following information is intended as a brief description of the Option Plan and is qualified in its entirety by the full text of the Option Plan:

1. The Board shall establish the exercise price at the time each option is granted, and the exercise price will not be less than the minimum prevailing price permitted by the policies of the Canadian Securities Exchange ("CSE") or any other applicable exchange that the Company's shares may become listed.
2. All options granted under the Option Plan may not have an expiry date exceeding 10 years from the date on which the option is granted.
3. Limits on options granted to any one individual shall be subject to the policies of the CSE or any other applicable exchange that the Company's shares may become listed.
4. If a director, employee or consultant of the Company is terminated for cause, then any option granted to the option holder will terminate immediately upon the option holder ceasing to be a director, employee, or consultant by reason of termination for cause.
5. If an option holder ceases to be a director, officer, employee or consultant of the Company (other than by reason of death, disability or termination of services for cause), as the case may be, then any option granted to the option holder that had vested and was exercisable on the date of termination will expire on the earlier of the expiry date and the date that is 90 days following the date that the option holder ceases to be a director, officer, employee or service provider of the Company, or, in the case of an option holder that is engaged in investor relations activities, the 30th day after the date such option holder ceases to hold such position.
6. If an option holder ceases to be a director, employee or consultant as a result of death or disability, then any options held by such option holder shall pass to the personal representative of the option holder and shall be exercisable by the personal representative on or before the date which is the earlier of six months following the date of death and the applicable expiry date.
7. Stock options granted to directors, employees or consultants will vest when granted unless determined by the Board on a case by case basis.
8. The Option Plan will be administered by the Board who will have the full authority and sole discretion to grant options under the Option Plan to any eligible party, including themselves.
9. Options granted under the Option Plan shall not be assignable or transferable by an option holder.
10. The Board may from time to time, subject to regulatory or Shareholder approval, if required under the policies of the CSE or any other applicable exchange that the Company's shares may become listed, amend or revise the terms of the Option Plan.

The Option Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the "**Option Plan Shareholder Resolution**"), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Option Plan Shareholder Resolution:

**"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. The Option Plan of Stage Capital Corp. (the "Company") in the form attached as Appendix "B" to the management information circular of the Company dated June 27, 2025, including the reservation for issuance under the Option Plan at any time of a maximum of 10% of the issued Shares of the Company, less any common shares reserved for issuance under all other share compensation arrangements, be and is hereby ratified, confirmed and approved;
2. The Board be authorized in its absolute discretion to administer the Option Plan and amend or modify the Option Plan in accordance with its terms and conditions and with the policies of the Canadian Securities Exchange (the "CSE") or any other exchange that the Company's shares may become listed; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Option Plan required by the CSE, any other exchange that the Company's shares may become listed or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Option Plan."

In order to be effective, the foregoing ordinary resolution must be passed by a simple majority of the votes cast by Shareholders voting on the resolution in person or by proxy at the Meeting.

The Board recommends that the Shareholders approve the Option Plan by voting FOR this resolution at the Meeting.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Shares represented by such Proxy, properly executed, FOR the Option Plan Shareholder Resolution.**

## **DIRECTOR AND EXECUTIVE COMPENSATION**

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the "Named Executive Officers" or "NEOs" for the purposes of the disclosure:

- (a) the Company's CEO, including an individual performing functions similar to a CEO;
- (b) the Company's CFO, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officer of the Company and its subsidiaries, other than the CEO and CFO, 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) of Form 51-102F6V Statement of Executive Compensation —Venture Issuers, for the December 31, 2024 year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was not an executive officer of the Company and was not acting in a similar capacity at December 31, 2024.



### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any director who is not a Named Executive Officer for the fiscal years ended December 31, 2024 and December 31, 2023.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) <sup>(1)</sup>	Value of all other compensation (\$)	Total compensation (\$)
Garth Braun Chief Executive Officer and Director	2023	12,000	Nil	Nil	Nil	Nil	12,000
	2024	12,000	Nil	Nil	Nil	Nil	12,000
Ron Schmitz Chief Financial Officer and Director	2023	14,720 <sup>(3)</sup>	Nil	Nil	Nil	Nil	14,720
	2024	19,120	Nil	Nil	Nil	Nil	19,120
William Macdonald Director	2023	12,000	Nil	Nil	Nil	Nil	12,000
	2024	12,000	Nil	Nil	Nil	Nil	12,000

**Notes:**

- (1) The value of perquisites, if any, was less than \$15,000.
- (2) Represents fees payable to a company controlled by Mr. Braun and through which his services are provided to the Company.
- (3) Represents fees payable to a company controlled by Mr. Schmitz and through which his services are provided to the Company.

### Stock Options and Other Compensation Securities

During the financial year ended December 31, 2024, the Company did not grant any options to its NEO's and directors.

### Oversight and description of director and Named Executive Officer compensation

For the Company, management compensation is limited to fees paid for or in respect of the services provided by its directors, who manage its business and affairs without the appointment of a separate executive management team of corporate officers, and as a board are in charge of all aspects of the Company and perform all of its policy-making functions. Within this structure, Garth Braun currently serves as the Company's chief executive officer and Ron Schmitz currently serves as its chief financial officer. There are no other officers, and the Company has no employees.

The annual fee is currently the only element of the Company's compensation program, and aims to provide for a fixed level of cash compensation that is reasonable and commensurate with time and attention devoted to the business and affairs of the Company. The Company does not have any other plan or arrangement pursuant to which bonus, incentive or other compensation is paid or payable, including any security-based compensation plan or arrangement involving stock options or other compensation securities, or any savings or pension plan or arrangement.

Compensation decisions are made by consensus of the directors based on a subjective good faith assessment of the time and effort required to discharge their duties to the Company, and will be revisited from time to time as the Company's circumstances and activity levels change. Compensation is not currently tied to any particular performance criteria or goals. In considering an appropriate level of compensation, the directors considered market practice generally but did not use a defined peer group.

## AUDIT COMMITTEE

### Composition of Audit Committee

As at the date of this Information Circular, the Audit Committee is composed of Garth Braun, Ron Schmitz and William Macdonald. National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires that a majority of the Company's audit committee must not be executive officers of the Company. Mr. Braun is currently the Company's Chief Executive Officer and Mr. Schmitz is the Company's Chief Financial Officer and both are the executive officers on the Audit Committee.

The Company is relying on the exemption provided by Section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and 6 (*Reporting Obligations*) of NI 52-110.

The text of the Audit Committee's Charter is attached as Appendix "A" to this Information Circular.

### Relevant Education and Experience

**Garth Braun** - Mr. Braun is a seasoned oil and gas executive with over 11 years of oil and gas experience combined with 30 years of diversified business experience in finance and real estate. Over the past several years, Braun has led Blackbird Energy, Inc. through the successful acquisitions of two E&P companies, the divestiture of non-core Montney assets, the accumulation of its Montney land at Elmworth and the drilling of Blackbird's Elmworth Montney wells. Mr. Braun was instrumental in raising ~ \$80 million of capital for Blackbird Energy Inc. Mr. Braun was previously the Chairman and Chief Executive Officer of an international oil and gas company, an investment banker and a principal of a private real estate development company that completed over \$1 billion in real estate development. Mr. Braun is also a founder and director of Stage Completions Inc., an innovative downhole completions company.

**Ron Schmitz** - Mr. Schmitz is the Principal and President of ASI Accounting Services Inc., which has provided administrative, accounting and office services to various public and private companies since July 1995, and has personally served as a director and/or chief financial officer of various public companies since 1997.

**William Macdonald** - Mr. Macdonald is a co-founder and president of Akiva Systems Inc., a company that provides accessible and cost effective therapy and education to neuro-divergent individuals using its virtual reality platform. Prior thereto Mr. Macdonald was a corporate and securities lawyer and a founder and principal of Macdonald Tuskey, Corporate and Securities Lawyers, a boutique securities and corporate finance law firm established in April 2008 that represented market participants in all aspects of corporate structuring, financing, mergers and acquisitions, private and public offerings, reverse takeovers, acquisitions and stock exchange listing or initial public offerings. He was a member of Law Society of British Columbia from April 1998 to October 2023 and remains a member of the New York State Bar since February 2002, and has served as a director of various public companies since 2008.

### Audit Committee Oversight

At no time since the beginning of our most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by our Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) or Part 8 (*Exemptions*) of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services

were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "IV - Responsibilities", subsection "B - Independent Auditors" of the Audit Committee Charter as set out in Appendix "A" to this Information Circular.

### **Audit Fees, Audit —Related Fees, Tax Fees and all other Fees**

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor for the period from incorporation to December 31, 2024 and December 31, 2023 were as follows:

<b>Financial Year End</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>	<b>Total</b>
December 31, 2023	\$21,000	Nil	Nil	Nil	\$21,000
December 31, 2024	\$15,500	Nil	Nil	Nil	\$15,500

### **Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations**

Since the Company is a venture issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Information Circular).

## **CORPORATE GOVERNANCE**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose their governance practices on an annual basis. A discussion of the Company's governance practices within the context of NI 58-101 is set out below.

### **Board of Directors**

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in NI 52-110, two of the members of the Board, Garth Braun and Ron Schmitz, are not independent. Garth Braun is not independent by virtue of the fact that he is the Company's Chief Executive Officer and Ron Schmitz is not independent because he is the Company's Chief Financial Officer. William Macdonald is considered to be independent.

In addition to their positions on the Board, the following directors or proposed directors for nomination also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

<b>Name of Director</b>	<b>Other Reporting Issuer (or equivalent in a foreign jurisdiction)</b>
Ron Schmitz	Pinnacle Silver & Gold Corp. (formerly, Newrange Gold Corp.) Ocean Shore Capital Corp. Clarity Metals Corp.
David Patterson	Quebec Nickel Corp. BlockMint Technologies Inc.

### **Orientation and Continuing Education**

Orientation and education of new members of the Board is conducted informally by management and members of the Board. The orientation provides background information on the Company's history, performance and strategic plans.

### **Ethical Business Conduct**

Directors, officers and employees are required as a function of their directorship, office or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. The Board does not consider it necessary at this time to have a written policy regarding ethical conduct.

### **Nomination of Directors**

The Board is responsible for reviewing the composition of the Board on a periodic basis. The Board analyzes the needs of the Board when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.

### **Compensation**

The Board reviews and approves all matters relating to compensation of the directors and executive officers of the Company. With regard to the CEO, the Board reviews and approves corporate goals and objectives relevant to the CEO's compensation, evaluates the CEO's performance in light of those goals and objectives and sets the CEO's compensation level based on this evaluation.

### **Other Board Committee**

The Board does not have any committees other than the Audit Committee.

## **OTHER INFORMATION**

### **Indebtedness of Management**

No director or executive officer of the Company, no person who served as such during the last financial year, no proposed nominee for election as a director of the Company and no known associate of any such person, is or was at any time since January 1, 2024 indebted to the Company or the beneficiary of any guarantee or similar financial assistance from the Company with respect to indebtedness to another entity. No director or executive officer of the Company is currently indebted to the Company.

The Company does not have any subsidiaries.

### **Interests of Informed Persons**

Management of the Company is not aware of any "informed person" (as that term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Company, any proposed nominee for election as a director of the Company, or any associate or affiliate of any such person or proposed nominee, having a material interest (direct or indirect) in any transaction since January 1, 2024, or in any proposed transaction, that has materially affected or would materially affect the Company.

### **Other Business**

Management is not aware of any matters to come before the Meeting other than those 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 Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

### **Additional Information**

Additional information relating to Stage Capital Corp. is filed and available under the Company's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), including financial information provided in its audited annual financial statements and management's discussion and analysis for the year ended December 31, 2024. In addition to the SEDAR+ website, copies of such financial statements and management's discussion and analysis are available on request to the Company at Suite 250, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7 (Attention: Finance Director), telephone (604) 685-7450.

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

Approved by the board of directors at Vancouver, British Columbia as at June 27, 2025.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) Garth Braun*

\_\_\_\_\_  
Garth Braun, Director  
Stage Capital Corp.

## APPENDIX "A"

### AUDIT COMMITTEE CHARTER

#### I. PURPOSE

The Audit Committee (the "**Committee**") will consist of a majority of independent directors and is appointed by the Board of Directors (the "**Board**") of Stage Capital Corp. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's outside auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

#### II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

### III. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the TSX Venture Exchange ("TSXV"), the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. Each member of the Committee shall be "financially literate" (as defined by applicable securities laws and regulations).
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

#### **IV. RESPONSIBILITIES**

##### **A. Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.
3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (3), and periodically assess the adequacy of these procedures.
5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.



**B. Independent Auditors**

1. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services (including, without limitation, the review of any interim financial statements of the Corporation by the Independent Auditors at the discretion of the Committee) not prohibited by law to be provided by the Independent Auditors.
4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

**C. Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

**APPENDIX "B"**

**STOCK OPTION PLAN**

**(see attached)**

# **STAGE CAPITAL CORP.**

## **2025 STOCK OPTION PLAN**

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## **STOCK OPTION PLAN**

### **SECTION 1 DEFINITIONS AND INTERPRETATION**

#### **1.1 Definitions**

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) "Administrator" means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the committee itself.
- (b) "Associate" means, where used to indicate a relationship with any person:
  - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
  - (ii) any partner, other than a limited partner, of that person;
  - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
  - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) "Black-Out" means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (d) "Board" means the board of directors of the Company.
- (e) "Change of Control" means an occurrence when either:
  - (i) a Person or Entity, other than the current "control person" of the Company (as that term is defined in the *Securities Act*), becomes a "control person" of the Company; or
  - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then- incumbent Board.
- (f) "Committee" means a committee of the Board appointed in accordance with this Plan or if no such committee is appointed, the Board itself.
- (g) "Company" means Stage Capital Corp.
- (h) "Consultant" means an individual who:
  - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a "distribution" (as that term is described in the *Securities Act*);

- (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
- (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (v) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a "Consultant Entity"); or
  - (vi) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (i) "CSE" means the Canadian Securities Exchange.
  - (j) "Disability" means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.
  - (k) "Employee" means:
    - (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or
    - (ii) an individual who works for the Company or any Subsidiary either full-time or 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 Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (iii) a corporation wholly-owned by such individual; and
  - (iv) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (l) "Executive" means an individual who is a director or officer of the Company or a Subsidiary, and includes:
    - (i) a corporation wholly-owned by such individual; and
    - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.

- (m) "Exercise Notice" means the written notice of the exercise of an Option, in the form set out as Schedule "B" hereto, duly executed by the Option Holder.
- (n) "Exercise Period" means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has vested pursuant to the terms and conditions of this Plan and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (o) "Exercise Price" means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (p) "Expiry Date" means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.
- (q) "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.
- (r) "Grant Date" means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (s) "Insider" means an insider as that term is defined in the *Securities Act*;
- (t) "Option" means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (u) "Option Certificate" means the agreement, in substantially the form set out as Schedule "A" hereto, evidencing the Option.
- (v) "Option Holder" means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (w) "Outstanding Issue" means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (x) "Person or Entity" means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (y) "Personal Representative" means:
  - (i) in the case of a deceased Option Holder, 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 an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (z) "Plan" means this stock option plan as from time to time amended.



- (aa) "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 this Plan or for the Options granted from time to time hereunder.
- (bb) "Regulatory Authorities" means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (cc) "Regulatory Rules" means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (dd) "*Securities Act*" means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (ee) "Share" or "Shares" means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (ff) "Subsidiary" means a wholly-owned or controlled subsidiary corporation of the Company.
- (gg) "Triggering Event" means:
  - (i) the proposed dissolution, liquidation or wind-up of the Company;
  - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
  - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
  - (iv) a proposed Change of Control of the Company;
  - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company;  
or
  - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (hh) "vest" or "vested" or "vesting" means that portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

## **1.2 Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws in any other

jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

### **1.3            Headings**

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

## **SECTION 2 GRANT OF OPTIONS**

### **2.1            Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

### **2.2            Record of Option Grants**

The Administrator shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

### **2.3            Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan.

## **SECTION 3 PURPOSE AND PARTICIPATION**

### **3.1            Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants, to incent such individuals to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

### **3.2 Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants, if any, to whom Options are to be granted.

### **3.3 Limits on Option Grants**

The following limitations shall apply to the Plan and all Options thereunder:

- (a) the maximum number of Shares which may be reserved for issuance to any one Option Holder under the Plan shall be subject to applicable Regulatory Rules; and
- (b) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;

and such limitation will not be an amendment to this Plan requiring the Option Holders consent under section 9.2 of this Plan.

### **3.4 Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

### **3.5 Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

### **3.6 Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

### **3.7 No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options granted under this Plan.

### **3.8 Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

### **3.9            Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

## **SECTION 4 NUMBER OF SHARES UNDER PLAN**

### **4.1            Number of Shares**

Subject to adjustment as provided for herein, the aggregate number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan will not exceed 10% of the number of Shares which are issued and outstanding on the particular Grant Date. If any Option is exercised, expires or otherwise terminates for any reason, the number of Shares in respect of such exercised, expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

### **4.2            Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

## **SECTION 5 TERMS AND CONDITIONS OF OPTIONS**

### **5.1            Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

### **5.2            Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee, subject to CSE policies while the Company's Shares are listed on the CSE, and shall be set out in the Option Certificate issued in respect of the Option. As of the date hereof, CSE policies mandate that total number of Shares (either issued directly or issuable on exercise of options or convertible securities) to persons providing Investor Relations Activities (as defined in CSE policies) cannot exceed 1% of the Outstanding Issue in any 12-month period.

### **5.3            Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the price determined in accordance with CSE policies while the Company's Shares are listed on the CSE. As of the date hereof, CSE policies mandate that the Exercise Price must be no less than the greater of the closing market prices of the Shares on (a) the trading day prior to the date of grant of the Option, and (b) the date of grant of the Option.

#### 5.4 Termination of Option

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder 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. The Expiry Date of an Option shall be the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate or, if no such date is set out in for the Option Certificate the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise expressly provided for in the Option Certificate or otherwise agreed to at any time by the Board, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
  - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
  - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant, other than an Option Holder who is engaged in investor relations activities, and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise expressly provided for in the Option Certificate or otherwise agreed to at any time by the Board, the 90th day following the date the Option Holder ceases to hold such position, or, in the case of an Option Holder that is engaged in investor relations activities, the 30th day after the date such Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:
  - (i) termination for cause;
  - (ii) resigning or terminating his or her position; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

### **5.5 Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee 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 Option Holder under section 9.2 of this Plan, subject to the limitation under subsection 3.3.

### **5.6 Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to 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 this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

## **SECTION 6 TRANSFERABILITY OF OPTIONS**

### **6.1 Non-transferable**

Except as provided otherwise in this Section 6, expressly waived by the Committee, or expressly set out in an Option Certificate, Options are non-assignable and non-transferable.

### **6.2 Death of Option Holder**

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of six months following the date of death and the applicable Expiry Date.

### **6.3 Disability of Option Holder**

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of six months following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

### **6.4 Disability and Death of Option Holder**

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within six months after the termination of such engagement, any vested Options at the time an Option Holder ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary which remains exercisable may be exercised in accordance with its terms by the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of six months following the death of such Option Holder and the applicable Expiry Date.

## **6.5            Vesting**

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

## **6.6            Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

# **SECTION 7 EXERCISE OF OPTION**

## **7.1            Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder 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 by delivering to the Administrator the required Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during Black-Out unless the Committee determines otherwise. Notwithstanding any other provision of this Plan, the Exercise Period of Options that would expire during a Black-Out shall be extended to the date that is 10 business days following the expiry of the applicable Black-Out.

## **7.2            Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate (or DRS) 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 Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Share certificate (or DRS).

## **7.3            No Rights as Shareholder**

Until the date of the issuance of the certificate (or DRS) for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificate (or DRS), the decision of the Committee shall be final, conclusive and binding.

## **7.4            Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an

Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

## **SECTION 8 ADMINISTRATION**

### **8.1           Board or Committee**

The Plan shall be administered by the Board, by a Committee of the Board appointed in accordance with section 8.2 below, or by an Administrator appointed in accordance with subsection 8.4(b).

### **8.2           Appointment of Committee**

The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed 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.

### **8.3           Quorum and Voting**

A majority of the members of the Committee shall constitute a quorum and, subject to the limitations in this Section 8, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of Options pursuant to the Plan, except that no such member shall act upon the granting of an Option to himself or herself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to that member). The Committee may approve matters by written resolution signed by a majority of the quorum.

### **8.4           Powers of Committee**

The Committee (or the Board if no Committee is in place) shall have the authority to do the following:

- (a) administer the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan;
- (d) 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;



- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:
  - (i) determine the Executives, Employees, Consultants or service providers to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
  - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Dates, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
  - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
  - (iv) determine when Options shall be granted; and
  - (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted, subject always to the limitation in subsection 3.3; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

#### **8.5 Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

#### **8.6 Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

### **SECTION 9 APPROVALS AND AMENDMENT**

#### **9.1 Shareholder Approval of Plan**

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of a majority of the votes cast at a meeting of the shareholders of the Company or by a majority of votes cast by disinterested shareholders at a meeting of shareholders of the Company. Any Options granted under this Plan will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

## **9.2            Amendment of Option or Plan**

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company.

## **SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES**

### **10.1            Compliance with Laws**

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificate (or DRS) representing such Shares accordingly.

### **10.2            Obligation to Obtain Regulatory Approvals**

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

### **10.3            Inability to Obtain Regulatory Approvals**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

## **SECTION 11 ADJUSTMENTS AND TERMINATION**

### **11.1            Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan.

## **11.2 No Grant During Suspension of Plan**

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

## **11.3 Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company.

Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of Section 9.2 of this Plan.

## **11.4 Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

**11.5            Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder 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 Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

**11.6            Determinations to be Made By Committee**

Adjustments and determinations under this Section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

## SCHEDULE "A"

[Any applicable securities law resale restrictions to be added hereto.]

### STAGE CAPITAL CORP. STOCK OPTION AGREEMENT

This Stock Option Agreement (this "**Agreement**") is made and entered into as of the date of grant set forth below (the "**Date of Grant**") by and between **Stage Capital Corp.** ("**SCC**"), a corporation incorporated under the laws of the Province of British Columbia and the participant named below ("**Participant**"). Capitalized terms not defined herein shall have the meanings ascribed to them in **SCC's Stock Option Plan**, as such may be amended from time to time (the "**Plan**"). This Agreement is subject to the provisions of the Plan.

Stage Capital Corp. - Table 1	
Participant's Name:	
Address:	
Total Number of Options:	
Exercise Price Per Share:	
Date of Grant:	
Expiration Date:	
Vesting Date(s):	
Participant may not trade the security before	

1. **Grant of Option.** SCC hereby grants to the Participant an option (the "**Option**") to purchase up to the number of shares in the capital of SCC set forth in the above Table 1 as the "*Total Number of Options*" (the "**Shares**") at the Exercise Price Per Share also set forth above (the "**Exercise Price**"), and subject to all of the terms and conditions of this Agreement and the Plan.
2. **Vesting of Option.** Provided the Participant is in continuous service and has not ceased to provide services to SCC, the Option will become vested and exercisable as to all or any portion thereof on the Date of Grant, subject to Section 20 herein. However, in the event that the Option is granted to the Participant in consideration of the Participant's engagement in investor relations activities on behalf of the Company, the Option will become vested and exercisable in stages over a minimum period of 12 months, with no more than 25% of the Option vesting in any three month period, and subject to Section 20 herein.
3. **Expiration.** The Option shall expire on the Expiration Date set forth above and must be exercised, if at all, on or before the Expiration Date.
4. **Termination.**
  - a. If the Participant ceases to be a director, officer, consultant, employee or Management Company Employee of SCC or of any of its subsidiaries or affiliates, for any reason other than death or Disability (as hereinafter defined), the Participant may exercise his or her Option to the extent that the Participant was entitled to exercise it at the Termination Date (as hereinafter defined), provided that such exercise must occur within 90 days after the Termination Date, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the Termination Date. The Board has the sole discretion to determine whether the Participant has ceased to be a director, officer, consultant or employee Management Company Employee of SCC or of any of its subsidiaries or affiliates and the Board has the sole discretion to determine the effective date which the Participant ceased to be a director, officer, consultant, employee or Management Company Employee of SCC or of any of its subsidiaries or affiliates (the "**Termination Date**"). Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director,

officer, consultant, employee or Management Company Employee of **SCC** or of any of its subsidiaries or affiliates.

- b. In the event of the death or Disability of the Participant, the Option shall be exercisable only within the one year after such death or Disability and then only:
    - i. by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution; and
    - ii. if and to the extent that he or she was entitled to exercise the Option at the date of his or her death or Disability.
    - iii. "**Disability**" means the mental or physical state of an individual such that:
    - iv. the Board, determines that such individual has been unable, due to illness, disease, mental or physical disability or similar cause, to fulfil his or her obligations as a director, officer, consultant or employee or Management Company Employee of **SCC** or of any of its subsidiaries or affiliates either for any consecutive 6 month period or for any period of 8 months (whether or not consecutive) in any consecutive 12-month period; or
    - v. a court of competent jurisdiction has declared such individual to be mentally incompetent or incapable of managing his or her affairs,
  - c. The Participant hereby acknowledges and agrees that in the event of the termination of the Participant's employment for any reason, the Participant right to exercise the Option shall be strictly limited by the terms set out above. In consideration of these limited rights the Participant expressly releases **SCC**, its subsidiaries and affiliates from all claims, demands, damages, actions or causes of action of any sort which the Participant may have with respect to the loss of any right to exercise the Option (or any part thereof) which would or might have vested or become exercisable at any time after the Termination Date, including without limitation the whole or any part of the Option which would or might have become vested or exercisable during any period of reasonable notice deemed due to the Participant on termination of the Participant's employment.
5. **No Obligation to Employ.** Nothing in the Plan or this Agreement shall confer on the Participant any right to continue in the employ of, or other relationship with, **SCC** or any of its subsidiaries or affiliates or limit in any way the right of **SCC** or any of its subsidiaries or affiliates to terminate the Participant's employment or other relationship with **SCC** or any of its subsidiaries or affiliates at any time, with or without cause.
6. **Manner of Exercise.** To exercise this Option, the Participant (or in the case of exercise after the Participant's death or Disability, the Participant's executor, administrator or heir as the case may be) must deliver to **SCC** an executed stock option exercise notice in the form attached hereto, or in such other form as may be approved by **SCC** from time to time (the "**Option Exercise Notice**"), which shall set forth, inter alia, the Participant's election to exercise the Option, the number of Shares being purchased, any restrictions imposed on the Shares and any representations, warranties and agreements regarding the Participant's investment intent and access to information as may be required by **SCC** to comply with applicable corporate and securities laws. If someone other than the Participant exercises the Option, then such person must submit documentation reasonably acceptable to **SCC** that such person has the right to exercise the Option. The Option may not be exercised unless such exercise is in compliance with all applicable corporate and securities laws, as they are in effect on the date of exercise.
7. **Payment.** The Option Exercise Notice shall be accompanied by full payment of the Exercise Price for the Shares being purchased in cash (by certified cheque or bank draft), or where expressly approved by the Board and permitted by law
- a. by cancellation of indebtedness of **SCC** to the Participant,
  - b. by waiver of compensation that **SCC** agrees to be due or accrued to the Participant for past services rendered, or

- c. by any combination of the foregoing.
8. **Issuance of Shares.** Provided that the Option Exercise Notice and payment are in form and substance satisfactory to counsel for SCC, SCC shall issue the Shares registered in the name of the Participant or the Participant's legal representative, and shall deliver certificates representing the Shares with the appropriate legends affixed thereto.
  9. **Non-transferability of Option.** The Option may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Participant only by the Participant. The terms of the Option shall be binding upon the executors, administrators and heirs of the Participant.
  10. **Capital Alterations.** If the issued and outstanding common shares in the capital of SCC are at any time changed by subdivision, consolidation, re-division, reduction in capital, reclassification or recapitalization (such changes referred to collectively as "Capital Alterations"), not including any issuance of additional shares for consideration, the Option will be adjusted as follows:
    - a. the number and class of shares in respect of which the Option is granted will be adjusted in such a manner as to parallel the change created by the Capital Alterations in the class and total number of the issued and outstanding common shares; and
    - b. the exercise price of each share in respect of which the Option operates will be increased or decreased proportionately, as the case may require, so that upon exercising the Option the same proportionate shareholdings at the same aggregate purchase price will be acquired after such Capital Alterations as would have been acquired before the Capital Alterations.
  11. **Tax Consultation.** The Participant understands that he or she may suffer tax consequences as a result of, inter alia, the grant of this Option, the exercise by the Participant of this Option and the disposition of the Shares. The Participant represents that he or she has consulted with tax consultants, as necessary, and the Participant acknowledges that he or she is not relying on SCC or any of its subsidiaries or affiliates for any tax advice.
  12. **Privileges of Stock Ownership.** The Participant shall not have any of the rights of a shareholder with respect to any Shares until the Shares are issued to the Participant as evidenced by the appropriate entry on the books of SCC. Without limiting the generality of the foregoing, the Participant shall not have any right to vote, or receive dividends or other distributions or exercise any other rights or privileges associated with respect to any Shares until the Shares are issued to the Participant.
  13. **Warranties and Representations.** The Participant warrants and represents to SCC:
    - a. if an employee or a Management Company Employee of, or consultant to, SCC or any of its subsidiaries or affiliates, that the Participant is a bona fide employee, consultant or Management Company Employee of SCC or any of its subsidiaries or affiliates, as the case may be;
    - b. if an employee, officer or Management Company Employee of, or consultant to, SCC or any of its subsidiaries or affiliates, that the Participant's participation in the Plan, acceptance of the Option granted hereunder and entering into of this Agreement is voluntary and have not been effected by expectation of employment or continued employment, appointment or continued appointment as an officer, or engagement or continued engagement as a consultant, as the case may be.
  14. **Consents.** The Participants consents:
    - a. to the disclosure of Personal Information by the Participant to the Canadian Securities Exchange (the "Exchange"); and
    - b. to the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Exchange Policies, or as otherwise identified by the Exchange, from time to time.

15. **Interpretation.** Any dispute regarding the interpretation of this Agreement shall be submitted by the Participant or **SCC** to the Board for review. The resolution of such a dispute by the Board shall be final and binding on **SCC** and the Participant.
16. **Entire Agreement.** The Plan and the Option Exercise Notice are incorporated herein by reference. This Agreement, the Plan and the Option Exercise Notice constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof.
17. **Notices.** Any notice required to be given or delivered to **SCC** under the terms of this Agreement shall be in writing and addressed to the Corporate Secretary of **SCC** at its principal corporate offices. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address indicated above or to such other address as such party may designate in writing from time to time to **SCC**. All notices shall be deemed to have been given or delivered upon: personal delivery, three days after deposit in the mail by certified or registered mail (return receipt requested), one business day after deposit with any return receipt express courier (prepaid); or one business day after transmission by fax.
18. **Successors and Assigns.** **SCC** may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of **SCC**. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon the Participant and the Participant's heirs, executors, administrators, legal representatives, successors and assigns.
19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
20. **Acceptance.** The Participant hereby acknowledges receipt of a copy of the Plan, this Agreement and the Option Exercise Notice. The Participant has read and understands the terms and provisions thereof, and accepts the Option subject to all the terms and conditions of the Plan and this Agreement. The Participant acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Shares and that the Participant should consult a tax adviser prior to such exercise or disposition.
21. **Hold Period.** Subject to applicable securities law and stock exchange requirements, any Shares issued upon exercise of the Option may be subject to a four-month hold period, and where required, the Participant agrees that the hold period shall commence on the Date of Grant and expire on the Hold Period Expiry Date set forth above.

IN WITNESS WHEREOF, **Stage Capital Corp.** has caused this Agreement to be executed in duplicate by its duly authorized representative and the Participant has executed this Agreement in duplicate as of the Date of Grant.

**Stage Capital Corp.** by its authorized signatory: )  
)  
)  
)  
\_\_\_\_\_)  
Authorized Signatory )

WITNESS: )  
)  
)  
\_\_\_\_\_)  
)  
)

(SIGNATURE OF PARTICIPANT)

\_\_\_\_\_

\_\_\_\_\_)  
Address )  
\_\_\_\_\_)  
\_\_\_\_\_)  
\_\_\_\_\_)  
Occupation )



**SCHEDULE "B"**

**Stage Capital Corp.**

**EXERCISE NOTICE**

**TO:** **Stage Capital Corp.**

**FROM:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**RE:** **Exercise of Stock Option**

Capitalized terms shall have the meanings ascribed in the Stock Option Agreement dated \_\_\_\_\_ (the "Stock Option Agreement").

I hereby exercise my Option to purchase Shares for an Exercise Price per Share of \$\_\_\_\_\_ (total aggregate exercise price of \$\_\_\_\_\_), effective today's date.

Attached is a cheque payable to **Stage Capital Corp.** for the total aggregate exercise price of the Shares being purchased. The undersigned confirms all representations made in the Stock Option Agreement.

Please prepare the stock certificate in the following name(s):

\_\_\_\_\_

**[NOTE: If the stock is to be registered in a name other than the Participant's name, please so advise Stage Capital Corp. The Stock Option Agreement requires Stage Capital Corp.'s approval for registration in a name other than your name.]**

Sincerely,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or type name

Letter and consideration received on \_\_\_\_\_.

By: \_\_\_\_\_