

LIBERTY DEFENSE HOLDINGS, LTD.

**Annual General Meeting
to be held on Friday, December 12, 2025**

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

November 3, 2025

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an in person annual general meeting (the “**Meeting**”) of the shareholders of Liberty Defense Holdings, Ltd. (the “**Company**”) will be held at the offices of McMillan LLP, 1500 – 1055 West Georgia Street, Vancouver, British Columbia on Friday, December 12, 2025 at 10:00 a.m. (Pacific time).

Should any changes to the Meeting format occur, the Company will announce any and all changes by way of news release, which will be filed under the Company’s SEDAR+ corporate profile www.sedarplus.ca. We strongly recommend you check the Company’s website <https://libertydefense.com> prior to the Meeting for the most current information. In the event of any changes to the Meeting format, the Company will **NOT** prepare or mail amended Meeting materials.

Purpose of the Meeting:

1. to table the audited consolidated financial statements of the Company for the fiscal years ended December 31, 2024 and 2023, together with the report of the auditor thereon and the related management discussion and analysis;
2. to fix the number of directors at four (4);
3. to elect directors for the ensuing year;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as Auditor of the Company for the ensuing year; and
5. to pass an ordinary resolution to ratify, confirm and approve the Company’s Omnibus Long-Term Incentive Plan, as amended, and as required annually by the policies of the TSX Venture Exchange, as more particularly described in the accompanying Information Circular.

Shareholders of record on the Company’s books at the close of business on Wednesday, December 10, 2025, are entitled to attend and vote at the Meeting or at any postponement or adjournment thereof. Each common share is entitled to one vote.

The Company’s audited consolidated financial statements for the fiscal years ended December 31, 2024 and 2023, the auditor’s report thereon, and the related management’s discussion will be tabled at the Meeting. The financial statements will be made available at the Meeting and will be available on request to the Company and may be viewed under the Company’s SEDAR+ corporate profile at www.sedarplus.ca.

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the accompanying Information Circular, but if any other matters do arise, the person named in the Proxy submitted to the Company intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in this Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

How to Vote

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying form of Proxy and deliver it to the Company’s transfer agent, to the attention of the Proxy Department, at Computershare Trust Company of Canada (“**Computershare**”), at 510 Burrard Street, 3rd Floor, Vancouver BC, V6C 3B9 in accordance with the instructions set out in the Proxy and in the accompanying Information Circular. If a shareholder does not deliver a Proxy to Computershare by 10:00 a.m. (Pacific Time) on Wednesday, December 10, 2025 (or before 48

hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the Proxy is to be used), then the shareholder will not be entitled to vote at the Meeting by Proxy.

Please note that attendance at the Meeting by teleconference will not allow Shareholders to vote. If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of Proxy and deposit it with Computershare at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

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

An Information Circular and a form of Proxy accompany this Notice.

DATED at Vancouver, British Columbia, as at November 3, 2025.

ON BEHALF OF THE BOARD

“William Frain”

William Frain
Chief Executive Officer and Director

LIBERTY DEFENSE HOLDINGS, LTD.
187 Ballardvale St., Suite 110
Wilmington, Massachusetts 01887 USA
Telephone: (604) 809-2500

INFORMATION CIRCULAR

(as at November 6, 2025, unless otherwise stated)

This Information Circular (the “**Circular**” or “**Information Circular**”) is provided in connection with the solicitation of proxies by the Management of Liberty Defense Holdings, Ltd. (the “**Company**”). The form of Proxy which accompanies this Circular (the “**Proxy**”) is for use at the Annual General Meeting of the Shareholders of the Company to be held on Friday, December 12, 2025 (the “**Meeting**”), at the time and place set out in the accompanying Notice of Meeting (the “**Notice of Meeting**”). In this Circular, “Common Shares” means Common Shares without par value in the capital of the Company.

All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to Registered Shareholders of the Company as set forth on the List of Registered Shareholders of the Company maintained by the Registrar and Transfer agent for the Company, Computershare Trust Company of Canada (“**Computershare**”), unless specifically stated otherwise.

“Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified in the Proxy and, if applicable, for the nominees of management for directors and auditor as identified in the Proxy.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who wish to submit a proxy may choose one of the following voting options:

- (a) complete, date and sign the Proxy and return it to Computershare), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to Computershare, 14th Floor, 320 Bay Street, Toronto, Ontario, M5H 4A6 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) use a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy form for the toll-free number and the holder's 15-digit control number; or
- (c) via the internet at Computershare's website, www.investorvote.com. Registered Shareholders must follow the instructions provided and refer to the enclosed Proxy form for the holder's 15-digit control number.

In any case, Registered Shareholders must ensure the Proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a Proxy properly may result in its invalidation. The time limit for the deposit of Proxies may be waived by the Company's board of directors (the "Board") at the discretion of the Board without notice.

Beneficial Holders of Common Shares

Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

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

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

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("OBOs") who object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuers of the securities they own knowing who they are.

Pursuant to NI 54-101, the Company distributes copies of the Notice of Meeting, this Circular and the form of Proxy (collectively, the "**Meeting materials**") to the Depository and Intermediaries for onward distribution to Beneficial Shareholders. The Company does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a beneficial owner, and the Company or its agent sent these materials to you directly, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements by the intermediary holding securities on your behalf.

If you are a Beneficial Shareholder:

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on

your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of the proxy provided by the Company. The VIF will name the same persons as are named on the Company’s form of Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge will then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting to vote your Common Shares.**

Notice to Shareholders in the United States

This solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the Business Corporations Act (British Columbia) (the “BCBCA”) and Canadian provincial securities laws. The proxy solicitation rules under the *United States Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this Information Circular has been prepared in accordance with the disclosure requirements of applicable Canadian provincial securities laws which differ from the disclosure requirements of United States federal securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the BCBCA, and all but three of its directors, are resident outside of the United States. A substantial portion of the Company’s assets, and all or substantially all of the assets of its non-U.S. directors and executive officers, are located outside the United States. Shareholders may not be able to sue a foreign company or its non-U.S. officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its non- U.S. officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

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

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and delivering the Proxy bearing a later date or the valid notice of revocation to Computershare at the time and place noted above or to the Chairman of the Meeting on the day of the Meeting or adjournment thereof; or
- (b) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

CURRENCY

Unless otherwise noted, all amounts in this Circular are shown in United States dollars, which is the currency used to prepare the Company’s financial statements. References to “C\$” are to Canadian dollars.

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

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company’s last financial year, in matters to be acted upon at the Meeting, other than the election of directors., the appointment of auditors and the ratification of the Company’s Omnibus Long-Term Incentive Plan, as amended.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at November 6, 2025, the Company's authorized capital consists of an unlimited number of Common Shares of which 77,178,773 Common Shares are issued and outstanding. All Common Shares in the capital of the Company carry the right to one vote.

Effective on November 26, 2024, the Company consolidated its common shares in the capital of the Company on the basis of ten (10) pre-consolidation Shares for every one (1) post-consolidation Share.

Shareholders registered as at November 6, 2025, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by Proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the Proxy.

Principal Holders of Common Shares of the Company

To the knowledge of the directors and executive officers of the Company, as at November 6, 2025, there are no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the years ended December 31, 2024, and December 31, 2023, together with the auditor's report thereon and the related Management's Discussion and Analysis ("MD&A") will be presented to shareholders at the Meeting. These documents are available under the Company's SEDAR+ corporate profile at www.sedarplus.ca and will be tabled at the Meeting.

ELECTION OF DIRECTORS

Number of Directors

There are currently four (4) directors of the Company. The Board proposes to nominate for election at the Meeting, four (4) directors. Shareholders will be asked at the Meeting to approve an ordinary resolution to fix the number of directors to be elected to the Board at four (4).

At the Meeting, Shareholders will be asked to vote on the following ordinary resolution:

"BE IT RESOLVED that the number of directors for election at this Meeting be fixed at four (4)."

Management recommends the Shareholders approve the resolution to fix the number of directors of the Company at four. Unless otherwise indicated on the form of Proxy received by the Company, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, in favour of the resolution to fix the number of directors of the Company at four (4).

Nominees

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are duly elected or appointed. Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are duly elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation, Business or Employment during the past five years	Served as director of the Company since	Number of Common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
Jason Burinescu ⁽²⁾ New York, USA Executive Chairman and Director	<i>Refer to Director Biography below</i>	February 24, 2025	Nil ⁽⁹⁾
William Frain ⁽³⁾⁽⁴⁾⁽⁵⁾ Massachusetts, USA Chief Executive Officer and Director	Chief Executive Officer and Director of Liberty (2021 – Present); Chief Executive Officer of DrawDown (2018 – Present); Senior Vice President of L3 Security & Detection Systems (2002 – 2018).	March 17, 2021	766,133 ⁽⁶⁾
Arjun Grewal ⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada Director	Director of Liberty (2021 – Present); Cloud Client Advocacy Program Lead at IBM Canada Ltd. (2018 – Present); Solider with the Canadian Armed Forces (2000 – 2018).	March 17, 2021	Nil ⁽⁷⁾
Linda-Lee Jacksta ⁽²⁾ South Carolina, USA Director	Director of Liberty (2021 – Present); President and CEO of J2 Consulting Group LLC (2021 – Present); Deputy Executive Assistant Commissioner for U.S. Customs and Border Protection (1985 – 2021).	July 28, 2021	Nil ⁽⁸⁾

Notes:

- (1) The information as to Common Shares beneficially owned or controlled has been provided by the director nominees.
- (2) A member of the Audit Committee.
- (3) A member of the Compensation Committee
- (4) A member of the Corporate Governance Committee
- (5) A member of the Disclosure Committee.
- (6) Mr. Frain also holds options to purchase 25,000 Common shares at an exercise price of C\$5.00, expiring April 7, 2026, 20,000 Common shares at an exercise price of C\$4.10, expiring April 26, 2027, 350,000 Common shares at an exercise price of C\$0.85, expiring December 30, 2029 and 200,000 Common shares at an exercise price of C\$0.26, expiring September 9, 2030; Mr. Frain has also been granted 25,000 Restricted Share Units (“RSUs”) which expire April 7, 2026, 8,125 RSUs which expire June 10, 2026, 20,000 RSUs which expire April 24, 2027, and 41,825 RSUs which expire October 16, 2028.
- (7) Mr. Grewal holds options to purchase 12,500 Common Shares at an exercise price of C\$5.00, expiring April 7, 2026, 7,500 Common Shares at an exercise price of C\$4.10 expiring April 26, 2027, 75,000 Common Shares at an exercise price of C\$0.85 expiring December 30, 2029, 75,000 Common Shares at an exercise price of C\$0.26 expiring September 9, 2030 and 10,000 RSUs which expire October 16, 2028.
- (8) Ms. Jacksta holds options to purchase 12,500 Common Shares at an exercise price of C\$5.50, expiring July 28, 2026, and 7,500 Common shares at an exercise price of C\$4.10, expiring April 26, 2027, 75,000 Common Shares at an exercise price of C\$0.85 expiring December 30, 2029, 75,000 Common Shares at an exercise price of C\$0.26 expiring September 9, 2030 and 10,000 RSUs which expire October 16, 2028.
- (9) Mr. Burinescu holds options to purchase 350,000 Common Shares at an exercise price of C\$0.85, expiring December 30, 2029, and 250,000 Common Shares at an exercise price of C\$0.24 expiring July 2, 2027

None of the director nominees noted above are proposed for election as director to be elected under any arrangement or understanding between the director nominee and any other person or company.

Director Biography

Jason Burinescu, Executive Chairman and Director

Jason Burinescu was appointed Executive Chairman and a Director of the Company on February 24, 2025. Mr. Burinescu is a Managing Partner of Vision Equity Partner Solutions, an investment and advisory firm (“Vision”). Before Vision, Jason led business development and served as a senior member of the investment team at Fletch Equity, a Los Angeles based private equity firm that has completed more than \$1 billion in total transaction value. Jason’s investment experience is further augmented by his experience as a senior operating executive at a number of firms that he helped scale including SaaS cyber security company Vera, which was successfully acquired by Help Systems (private equity backed by TA Associates (\$45B AUM) and Harvest Partners (\$21.5B AUM)), and media companies Leftfield Pictures, which was acquired by ITV and Renegade 83, which was acquired by Entertainment One (now Lionsgate Canada), a Canadian-founded studio business (including Lionsgate Films). In Spring 2024, Lionsgate’s film and studio business (including Lionsgate Films) was spun-off into the newly formed Lionsgate Studios.

Corporate Cease Trade Orders

No director or proposed director:

- (a) is, as at the date of the information circular (the “Circular”), or has been, within 10 years before the date of this Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Company in respect of which this Circular is prepared) that,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company in respect of which this Circular is prepared) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about whether to vote for the proposed director.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

APPOINTMENT OF AUDITOR

At the Meeting, Davidson & Company LLP, Chartered Professional Accountants, will be recommended by management and the Board of Directors for re-appointment as auditor of the Company. Davidson & Company LLP, Chartered Professional Accountants were appointed auditor of the Company effective February 8, 2022

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.

THE BOARD RECOMMENDS THAT YOU VOTE IN FAVOR OF APPOINTMENT OF DAVIDSON & COMPANY LLP.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule A to this Circular.

Composition of Audit Committee and Independence

The current members of the Company’s audit committee is comprised of Arjun Grewal (Chair), Linda-Lee Jacksta and Jason Burinescu. Of the current members of the audit committee, Arjun Grewal and Linda-Lee Jacksta are independent. All Members of this Committee are independent. In accordance with section 6.1.1(3) NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the members of the Audit Committee are not executive officers, employees or control persons of the Company. Each of the members are considered to be financially literate within the meaning of NI 52-110.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. All of the members of the Audit Committee are “financially literate” as that term is defined. The following sets out the Audit Committee members’ education and experience that is relevant to the performance of his responsibilities as an Audit Committee member.

Relevant Education and Experience

Arjun Grewal currently serves as the Client Advocacy Program Lead for IBM Canada Ltd. Focused on collecting, analyzing, and giving effect to client feedback. Mr. Grewal is actively involved in managing and testing client experience improvements. Mr. Grewal is a 19-year veteran of the Canadian Armed Forces and served 12 years of his career with the Canadian Special Operations Forces, having been deployed on operations globally.

Linda-Lee Jacksta is a senior border security and intelligence leader with more than 35 years of service to the U.S. Department of Homeland Security’s (DHS) CBP. As a member of the Senior Executive Service (SES), she developed and implemented a wide range of solutions to address some of the agency’s most complex challenges. She led efforts to address border security threats and operational challenges, established an enterprise data analytics organization leveraging data for critical decision-making, developed extensive Intelligence Community (IC) partnerships, and was instrumental in formation of the agency’s National Use of Force Control Board.

In her most recent role as Deputy Executive Assistant Commissioner, Operations Support, Ms. Jacksta led and directed the intelligence, international affairs, planning and requirements development, data analytics, emergency preparedness, forensic/scientific services, and use of force policy functions in support of mission effectiveness for CBPs 60,000 employees. Currently, Ms. Jacksta is President and CEO of J2 Consulting Group, a Board Member of Defense Holdings, Ltd. and a Principal at Deep Water Point (a GTSC Strategic Partner).

Jason Burinescu was appointed Executive Chairman and a Director of the Company on February 24, 2025. Refer to Director Biography above.

Education and Experience

Such education and experience provides each member with:

- (a) an understanding of the accounting principles used by the issuer to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;

- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis* Non-audit Services) of NI 52-110;
- (b) the exemption in subsection 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer) of NI 52-110;
- (c) the exemption in subsection 6.1.1(5) (Events Outside Control of Member) of NI 52-110;
- (d) the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

The Company is a "venture issuer" as defined under NI 52-110 and, as such, is relying on the exemption in section 6.1 (Venture Issuers) of NI 52-110 from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) thereof.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services. Any exceptions to this policy must be pre-approved by the Audit Committee.

External Audit Service Fees

The following table sets forth the fees paid by the Company by the Company's external auditors, Davidson & Company LLP, Chartered Professional Accountants, for services rendered in the last two fiscal years:

Nature of Services	2024 (C\$)	2023 (C\$)
Audit Fees ⁽¹⁾	\$225,063	\$95,653
Audit Related Fees ⁽²⁾	\$56,683	\$49,871
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$281,746	\$145,524

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

CORPORATE GOVERNANCE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

Board of Directors

Management is nominating four individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for William Frain, who is the Chief Executive Officer of the Company.

Directorships

There are no Directors of the Company who are currently serving on Boards of other reporting companies (or equivalent).

Orientation and Continuing Education

The current members of the Company’s Corporate Governance Committee are Arjun Grewal (Chair), William Frain and Jason Burinescu. The Corporate Governance Committee is responsible for the orientation of new directors and overseeing continuing education for the directors. All new directors receive a comprehensive Board manual as part of their orientation. At this stage of the Company’s development the Board, through its Corporate Governance Committee, does not feel it necessary to have a formal continuing education program in place.

Ethical Business Conduct

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current size of the Company’s operations, and the number of officers and consultants, allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination of Directors

The Corporate Governance Committee is responsible for identifying new candidates to the Board and recommending such candidates to the Board. The recruitment process involves both formal and informal discussions among Board members.

Compensation

The current members of the Compensation Committee are Arjun Grewal (Chair), William Frain and Jason Burinescu. The Compensation Committee annually reviews the performance objectives for senior executive officers and recommends any changes to the Board for consideration. The Board also annually reviews the compensation of the directors and recommends any changes to the Board for consideration. In reviewing and making recommendations on the compensation of senior executive officers and directors, the Compensation Committee requires the members of the Committee to reflect the following approach:

- their respective duties and responsibilities;
- be competitive in attracting, retaining and motivating high quality and high performing Directors and senior executives of the Company;
- align the interests of the Directors and the senior executives of the Company with shareholders and the Company as a whole;

- be based on established corporate and individual performance objectives; and
- not encourage the taking of inappropriate or excessive risks.

Other Board Committees

At the present time, the Company has an Audit Committee, a Compensation Committee, Corporate Governance Committee and a Disclosure Committee.

Disclosure Committee

The Company has a Disclosure Committee. Members of this Committee include William Frain, Omar Garcia Abrego and Brian Cunningham. The purpose of this Committee is to assist the Chief Executive Officer and Chief Financial Officer in fulfilling their responsibilities regarding the accuracy, completeness and timeliness of the Company's public disclosures, including news releases, financial statements, management's discussion and analysis, and other filings made with securities regulatory authorities. The Committee is responsible for reviewing material information prior to its public release to ensure compliance with applicable securities laws and the Company's Disclosure Policy.

Strategic Advisory Board

The Company has established a Strategic Advisory Board to help focus and guide the Company in scaling its groundbreaking technology globally and executing its growth strategy as a leader in security and detection applications. Members of the Strategic Advisory Board include The Honorable Mary Beth Long, The Honorable James M. Byrne, The Honorable David Kris, The Honorable Thomas Monheim and Anjana Rajan.

Assessments

The Corporate Governance Committee is responsible for the evaluation of the performance and effectiveness of the Board, committees of the Board and individual directors. At present, the Committee does not have a formal process in place for these evaluations but will consider implementing one in the future should circumstances warrant.

EXECUTIVE COMPENSATION

For the purposes of this Circular:

"compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"external management company" includes a subsidiary, affiliate or associate of the external management company;

"NEO" or **"named executive officer"** means each of the following individuals:

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

"plan" includes any plans, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

Named Executive Officers and Directors

The current NEOs of the Company are: Jason Burinescu, Executive Chairman and a Director, William Frain, Chief Executive Officer and a Director, Bryan Cunningham, President and Omar Garcia Abrego, Chief Financial Officer and Corporate Secretary. The directors of the Company who are NEOs are: Arjun Grewal and Linda-Lee Jacksta.

During December 31, 2024 financial year end, the NEOs of the Company were: Daryl M. Rebeck, Executive Chairman and Director, William Frain, Chief Executive Officer and Director, Michael Lanzaro, President and Chief Technology Officer, and Omar Garcia Abrego, Chief Financial Officer and Corporate Secretary. The Directors of the Company who were not NEOs at financial year end December 31, 2024 were: Arjan Grewal and Linda-Lee-Jacksta.

Corporate Actions during December 31, 2024 financial year end

Michael Lanzaro resigned as President and Chief Technology Officer of the Company on February 27, 2024.

Corporate Actions post December 31, 2024 financial year end

Effective January 13, 2025: Bryan Cunningham was appointed President of the Company.

Effective February 24, 2025: Daryl Rebeck resigned as Chairman and as a Director of the Company. Following his resignation, Jason Burinescu was appointed Executive Chairman and Director of the Company.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company and its subsidiaries, excluding compensation securities, to each NEO and director, in any capacity, for the two most recently completed financial years ended December 31, 2024, and December 31, 2023. For NEOs who are also directors, no compensation was paid to them in their capacity as directors. Options and compensation securities are disclosed under the heading “Stock Options and Other Compensation Securities”.

(e) Table of Compensation excluding Compensation Securities (US Dollars)							
Name and position	Year (Dec. 31)	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽¹⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Daryl Rebeck⁽²⁾ <i>Chairman and Director</i>	2024 2023	175,195 177,830	162,890 53,293	Nil Nil	Nil Nil	196,781 79,015	534,866 310,138
William Frain⁽³⁾ <i>Chief Executive Officer and Director</i>	2024 2023	227,258 275,000	50,000 Nil	Nil Nil	Nil Nil	196,785 80,124	474,043 355,124
Michael Lanzaro⁽⁴⁾ <i>former President and former Chief Technology Officer</i>	2024 2023	(f) 27,500 (g) 260,000	Nil Nil	Nil Nil	Nil Nil	Nil 103,378	27,500 363,378
Omar Garcia Abrego⁽⁵⁾ <i>Chief Financial Officer and Corporate Secretary</i>	2024 2023	100,334 97,807	Nil Nil	Nil Nil	Nil Nil	28,112 2,701	128,446 100,507
Arjun Grewal⁽⁶⁾ <i>Director</i>	2024 2023	30,000 30,000	Nil Nil	Nil Nil	Nil Nil	42,167 3,891	72,167 33,891
Linda-Lee Jacksta⁽⁷⁾ <i>Director</i>	2024 2023	30,000 30,000	Nil Nil	Nil Nil	Nil Nil	42,167 5,570	72,167 35,570

Notes:

⁽¹⁾ Includes, if applicable, housing allowances, education, utilities, wellness subsidies and cash pension benefits.

- (2) Daryl Rebeck was appointed Chairman and a Director of the Company on March 17, 2021.
- (3) William Frain was appointed as Chief Executive Officer and a Director of the Company on March 17, 2021.
- (4) Michael Lanzaro was appointed the President and Chief Technology Officer of the Company on March 17, 2021. Mr. Lanzaro resigned as President and Chief Technology Officer of the Company on February 27, 2024.
- (5) Omar Garcia Abrego was appointed the Chief Financial Officer and Corporate Secretary of the Company on March 17, 2021.
- (6) Arjun Grewal was appointed a Director of the Company on March 17, 2021.
- (7) Linda-Lee Jacksta was appointed a Director of the Company on July 28, 2021.

External Management Companies

Other than as disclosed elsewhere in this Form, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Stock Option Plans and Other Incentive Plans

Omnibus Long-Term Incentive Plan

The Company has an Omnibus Long-Term Incentive Plan dated for reference March 27, 2019, as amended October 25, 2022 and October 26, 2023, which was last ratified, confirmed and approved by shareholders at the Company's December 6, 2024 annual general meeting (the "**Incentive Plan**"). A copy of the Incentive Plan was SEDAR+ filed on the Company's SEDAR+ corporate profile at www.sedarplus.ca on January 15, 2024.

On November 6, 2025, the Company made amendments to the Incentive Plan. Please refer to subheading below Amendments to Incentive Plan.

The total number of Common Shares reserved and available for the grant and issuance of Options under the Incentive Plan shall not exceed ten percent (10%) of the Outstanding Issue, or such other number as may be approved by the TSXV and the shareholders of the Company from time to time.

The maximum number of Common Shares issued, at any time, under the Incentive Plan and all other proposed or established Share Compensation Arrangements, shall not exceed ten percent (10%) of the Outstanding Issue from time to time. For greater certainty, the number of Common Shares reserved and available for grant and issuance pursuant to deferred share units (DSUs), restricted share units (RSUs) and Options shall not, in aggregate, exceed ten percent (10%) of the Outstanding Issue from time to time.

At the date of this Circular, there are a total of 5,638,500 outstanding Options, a total of 382,225 outstanding RSUs, and NIL outstanding DSUs

The following is a description of the key terms of the Incentive Plan, which is qualified in its entirety by reference to the full text of the Incentive Plan.

The Company's directors, executive officers, employees, and consultants, are eligible to participate in the Company's Incentive Plan, which is comprised of stock options ("**Options**"), restricted share units ("**RSUs**") and deferred share units ("**DSUs**") of the Company, issued pursuant to the Incentive Plan. The purpose of the Incentive Plan is to promote greater alignment of interests between employees and shareholders, and to support the achievement of the Company's longer-term performance objectives, while providing a long-term retention element.

The Incentive Plan allows for a variety of equity-based awards that provide different types of incentives to be granted to the Company's directors, executive officers, employees and consultants, and will facilitate the grant of Options, RSUs or DSUs (collectively, the "**Awards**") representing the right to purchase one Common Share; and, in the case of RSUs and DSUs, the right to receive one Common Share, the cash equivalent of one Common Share, or a combination thereof, in accordance with the terms of the Incentive Plan. The following discussion is qualified in its entirety by the text of the Incentive Plan.

Under the terms of the Incentive Plan, the Board, or if authorized by the Board, a Committee of the Board, may grant Awards to eligible Participants, who are defined in the Incentive Plan as directors, officers, senior executives and other employees of the Company and its affiliates, who the Board may determine from time to time, in its sole discretion,

to hold contributory positions in the Company or a subsidiary. Awards may be granted at any time and from time to time in order to: (a) increase Participants' interest in the Company's welfare; (b) provide incentives for Participants to continue their services; and (c) reward Participants for their performance of services. Participation in the Incentive Plan is voluntary and, if an Eligible Participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such Participant. The interest of any Participant in any Award is non-assignable and non-transferable, whether voluntary, involuntary, by operation of law or otherwise, except upon the death of the Participant.

The Incentive Plan provides that appropriate adjustments, if any, are made by the Board in connection with a reclassification, reorganization, consolidation, distribution, merger, amalgamation, plan of arrangement, spin-off, dividend payment or other change of the Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Incentive Plan. In the event that a Participant receives Common Shares in satisfaction of an Award during a black-out period, such Participant shall not be entitled to sell or otherwise dispose of such Common Shares until such black-out period has expired.

The maximum number of Common Shares reserved for issuance, in aggregate, under the Incentive Plan, together with all share-based compensation arrangements of the Company, is 10% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to any Eligible Participant. The aggregate number of Common Shares (i) issued to Insiders under the Incentive Plan or any other proposed or established share-based compensation arrangement within any one-year period and (ii) issuable to Insiders at any time under the Incentive Plan or any other proposed or established share-based compensation arrangement, shall in each case not exceed 10% of the aggregate number of issued and outstanding Common Shares (on a non-diluted basis), or such other number as may be approved by the Exchange and the shareholders of the Company from time to time. The aggregate maximum number of Common Shares issued to any one Person under the Incentive Plan within any one-year period shall not exceed 5% of the issued and outstanding Common Shares. The maximum number of Awards, excluding Options, granted pursuant to the Incentive Plan to any one Eligible Participant shall not exceed: (i) 1% of the issued and outstanding Common Shares at the date of grant of such Award; and (ii) 2% of the issued and outstanding Common Shares within the most recent twelve-month period.

The aggregate number of Common Shares (i) issued to consultants under the Incentive Plan within any twelve-month period and (ii) issuable to Persons retained to provide investor relations activities under the Incentive Plan within any twelve-month period, shall in each case not exceed 2% of the issued and outstanding Common Shares, calculated at the date an Option is granted to such Investor Relations Individuals. Investor Relations Individuals are eligible to receive only Options pursuant to the Incentive Plan and are not eligible to receive RSUs or DSUs.

Pursuant to the Incentive Plan, Options must be granted by the Board, or its appointed Board Committee, pursuant to terms specified in the Option Grant Agreement, including designated Eligible Participants, setting the term of the Options, the number of Options granted, the Option Price which shall not be less than the closing price of the Common Shares on the Exchange on the day prior to the date of grant (the "**Market Value**"), and the relevant vesting provisions. An Option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten (10) years after the date of grant of the Award or such shorter period as the Board may determine. The Incentive Plan provides that the exercise period shall automatically be extended if the date on which it is scheduled to terminate shall fall during a blackout period. In such cases, the extended exercise period shall terminate 10 business days after the last day of the blackout period.

With respect to Options granted to Investor Relations Individuals the Board will specify the particular terms of such Options and will determine, at its sole discretion, the Investor Relations Individuals who will receive Options, the number of Options to be granted and the date of grant of such Options, the Term and Option Price and the relevant vesting provisions, including Performance Criteria, if applicable. Vesting of Options granted to Investor Relations Individuals will occur in stages over a period of not less than twelve months with a maximum of 25% of the Options vesting in any three-month period, and there can be no acceleration of the vesting requirements applicable to Options granted to Investor Relations Individuals. All terms of Options awarded to Investor Relations Individuals are subject to the Option Grant Agreement by which such Options are awarded, as well as to any applicable rules of the Exchange.

There is a cashless exercise or net exercise provision incorporated into the Incentive Plan, which cashless or net exercise provisions are not available to Investor Relations Individuals. Cashless Exercise or Net Exercise allows for the exercise of Options based on selling a sufficient number of the Common Shares available for issue upon exercise of the Options to realize the payment of the Option Price and all applicable withholding obligations.

The Incentive Plan provides that the Board, or its appointed Committee, determines, and the DSU Grant Agreement shall specify, that DSUs will vest after a minimum of one year has passed following the date of the DSU Grant Agreement. Each DSU awarded shall entitle the relevant Participant to receive one Common Share, or the Cash Equivalent, or a combination thereof. Each Participant may redeem their DSUs during the period commencing on the Business Day immediately following their Termination Date (as defined in the Incentive Plan), and ending on December 15 of the calendar year following the Termination Date, or a shorter redemption period set out in the applicable DSU Grant Agreement, which shorter redemption period must begin a minimum of one year following the date of grant of the DSUs; and such one year vesting period must be stated in the DSU Redemption Notice. Acceleration of vesting of a DSU is permitted when a Participant ceases to be eligible as a Participant in connection with the death of the relevant Participant; or in connection with a change of control, take-over bid, reverse-take-over or other similar transaction. If upon receipt by the Company of a DSU Redemption Notice, the Company does not have a sufficient number of Common Shares reserved for issuance under the Incentive Plan, in lieu of issuing Common Shares to settle the DSUs, the Company will make payment of a cash amount to the applicable Participant for a value equal to the number of DSUs multiplied by the Market Value, subject to any applicable deductions and withholdings.

The Incentive Plan also provides that the Board, or its appointed Committee, determines and the RSU Grant Agreement shall specify, the relevant conditions and vesting provisions, including the Performance Period and Performance Criteria required to achieve vesting. The Board shall also determine the RSU Restriction Period, provided that such RSU Restriction Period shall begin a minimum of one year following the date of the Award of the RSU as specified in the RSU Grant Agreement and such Restriction Period shall have an end date not exceeding three years after the calendar year in which the RSU Award was granted, subject to the RSU Vesting Determination Date. The RSU Vesting Determination Date must fall after the end of the Performance Period and must be no later than the last day of the RSU Restriction Period. Unless specified otherwise in the RSU Grant Agreement, one-third (1/3) of RSUs awarded pursuant to the RSU Grant Agreement shall vest on each of the first three anniversaries of the date of grant specified in the RSU Grant Agreement. No RSUs will vest prior to one year from the date of award of such RSU. Acceleration of vesting of RSUs is permitted in connection with the death of the relevant Participant; or in connection with a change of control, take-over bid, reverse-take-over or other similar transaction. Subject to the vesting and other conditions and provisions set forth in the Incentive Plan and in the RSU Grant Agreement, the Board shall determine whether each RSU awarded to a Participant shall entitle the Participant: (a) to receive one Share issued from treasury; (b) to receive the Cash Equivalent of one (1) Share; or (c) to elect to receive either One Share from treasury, the Cash Equivalent of one (1) Share or a combination of cash and Common Shares. For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Incentive Plan, such calculation will be made on the RSU Settlement Date and shall equal the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the RSU Settlement Notice.

The following table describes the impact of certain events upon the rights of holders of Awards under the Incentive Plan, including termination for cause, resignation, termination other than for cause, retirement, death and change in control, subject to the terms of a participant's employment agreement:

Event	Provisions
Termination for cause	Immediate forfeiture of all vested and unvested Awards
Resignation	Forfeiture of all unvested Awards and the earlier of the original expiry date and 90 days after resignation to exercise vested Awards or such longer period as the Board may determine in its sole discretion.
Acceleration of Vesting	Acceleration of vesting is permitted if: (i) a Participant ceases to be an eligible Participant in connection with a change of control, take-over bid or other similar transaction; or (ii) after the death of a Participant, the relevant Exercise Notice or Redemption Notice must be submitted by the administrator or liquidator of the deceased Participant's estate; and the required vesting period minimum of one year prior to the date of redemption is waived, but such must be stated in the Exercise Notice or Redemption Notice.

Event	Provisions
Termination other than for cause	Subject to the terms of the grant or as determined by the Board, upon a Participant's termination without cause the number of Awards that may vest is subject to proration over the applicable performance or vesting period.
Retirement	Upon the retirement of a Participant's employment with the Company, any unvested Awards held by the Participant as at the termination date will continue to vest in accordance with the applicable vesting schedule, and all vested Awards held by the Participant at the termination date may be exercised until the earlier of the expiry date of the Awards or six months following the termination date, provided that if the Participant breaches any post-employment restrictive covenants in favour of the Company (including non-competition or non-solicitation covenants), then any Awards held by such Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Company any "in-the-money" amounts realized upon exercise of Awards following the termination date.
Death	All unvested Awards will vest and may be exercised within 180 days after death.
Change of Control	If a Participant is terminated without "cause" or resigns for good reason during the twelve (12) month period following a change in control, or after the Company has signed a written agreement to effect a change in control but before the change in control is completed, then any unvested Awards will immediately vest and may be exercised within thirty (30) calendar days of such date.

In connection with a change of control of the Company, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, provided that the Board may accelerate the vesting of Awards if: (i) the required steps to cause the conversion or exchange or replacement of Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps (other than the Company); or (ii) the Company has entered into an agreement which, if completed, would result in a change of control and the counterparty or counterparties to such agreement require that all outstanding Awards be exercised immediately before the effective time of such transaction or terminated on or after the effective time of such transaction.

The Board may, in its sole discretion, suspend or terminate the Incentive Plan at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Incentive Plan or of any Award granted under the Incentive Plan and any grant agreement relating thereto, subject to any required regulatory, shareholder and Exchange approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the Incentive Plan or as required by applicable laws.

For greater certainty, without limitation, amendments to any of the following provisions of the Incentive Plan will be subject to Shareholder approval in the below particular amendments:

- to persons eligible to be granted or issued security-based compensation under the Incentive Plan;
- to the maximum number or percentage, as the case may be, of Listed Common Shares that may be issuable upon exercise of Options or conversion of DSUs or RSUs under the Incentive Plan;
- to the limits under the Incentive Plan on the number of Options, DSUs or RSUs that may be granted or issued to any one person or any category of persons (such as, for example, Insiders);
- to the method for determining the exercise price of Stock Options;
- to the maximum term of any Award granted under the Incentive Plan;
- to the expiry and termination provisions applicable to any Award granted under the Incentive Plan, including the addition of a blackout period;
- to include the addition of a Net Exercise provision; and

- to any method or formula for calculating prices, values, or amounts under the Incentive Plan that may result in a benefit to a Participant, including but not limited to the formula for calculating the appreciation of a Stock Appreciation Right.

Provided that Shareholder approval shall not be required for the following amendments, the Board may make any changes which may include but are not limited to amendments of a general “housekeeping” or clerical in nature that:

- correct typographical errors; and
- clarify the existing provisions of the Incentive Plan and do not have the effect of altering the scope, nature and intent of such provisions.

Disinterested shareholder approval is required for amendments to the Incentive Plan which:

- (i) change the maximum number of Common Shares issuance from treasury under Incentive Plan, other than as allowed under the Incentive Plan;
- (ii) an amendment that reduces the Exercise Price of an Award and the substitution of that Award by a new Award with a reduced price, except as permitted by the Incentive Plan;
- (iii) any amendment which extends the expiry date of any Award or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black-Out Period;
- (iv) any amendment which would permit a change to the pool of Eligible Participants, including a change which would have the potential of broadening or increasing participation by Insiders;
- (v) any amendment which increases the maximum number of Common Shares that may be issuable to Insiders and Associates of such Insiders and Associates of such Insiders at any time; or issued to Insiders and Associates of such Insiders under the Incentive Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of a permitted adjustment; or
- (vi) any amendment to the amendment provisions of the Plan, provided that Common Shares held directly or indirectly by Insiders benefiting from the amendments shall be excluded when obtaining such shareholder approval.

Amendments to Incentive Plan

On November 4, 2025, the Company made the following amendments to the Incentive Plan:

Amended Definition of Affiliates

“Affiliates” means a company that is a Subsidiary or a parent of the Corporation, or that is controlled by the same entity as the Corporation.

Heading Section 7.2 Amendment or Discontinuance of the Plan

Added a subsection (c) under Section (2) Notwithstanding Section 7.2(1), the Board shall be required to obtain Disinterested Shareholder Approval to make the following amendments:

- (c) any amendment which reduces the Exercise Price or extends the term of any Option held by a Participant who is an Insider of the Corporation at the time of the proposed amendment;*

Shareholders are being asked to ratify, confirm and approve the Omnibus Incentive Plan, as amended, and as the Plan is considered a “rolling” plan, the TSX Venture Exchange requires the Company to obtain shareholder approval on an annual basis.

Refer to” **PARTICULARS OF MATTERS TO BE ACTED UPON** – Ratification of Long-Term Omnibus Incentive Plan, as Amended” below.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO of the Company and to a director who was not an NEO of the Company, or its subsidiaries, in the most recently completed financial year ended December 31, 2024, for services provided or to be provided, directly or indirectly, to the Company, or its subsidiaries.

Name and Position	Compensation Securities Currently Issued and Outstanding						
	Type of Compensation Security ⁽¹⁾	Number of Compensation Securities, Number of Underlying Securities and Percentage of class ⁽²⁾	Date of Issue or Grant	Issue, Conversion or Exercise Price (C\$) ⁽³⁾	Closing price of security or underlying security on date of grant (C\$) ⁽³⁾	Closing price of security or underlying security at year end (C\$)	Expiry Date
Daryl Rebeck ⁽⁴⁾ <i>Former Chairman and Former Director</i>	Stock Options	350,000 12.89%	December 30, 2024	\$0.85	\$0.85	\$0.85	December 30, 2029
Jason Burinesco ⁽⁵⁾ <i>Executive Chairman and Director</i>	Stock Options	350,000 12.89%	December 30, 2024	\$0.85	\$0.85	\$0.85	December 30, 2029
Bryan Cunningham ⁽⁶⁾ <i>President</i>	Stock Options	150,000 5.52%	December 30, 2024	\$0.85	\$0.85	\$0.85	December 30, 2029
William Frain <i>Chief Executive Officer and Director</i>	Stock Options	350,000 12.89%	December 30, 2024	\$0.85	\$0.85	\$0.85	December 30, 2029
Omar Garcia Abrego <i>Chief Financial Officer and Corporate Secretary</i>	Stock Options	50,000 1.84%	December 30, 2024	\$0.85	\$0.85	\$0.85	December 30, 2029
Arjun Grewal <i>Director</i>	Stock Options	75,000 2.76%	December 30, 2024	\$0.85	\$0.85	\$0.85	December 30, 2029
Linda-Lee Jacksta <i>Director</i>	Stock Options	75,000 2.76%	December 30, 2024	\$0.85	\$0.85	\$0.85	December 30, 2029

Notes:

- (1) Each Stock Option is exercisable or redeemable into one Common Share of the Company.
- (2) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Company outstanding as of December 31, 2024.
- (3) All Options were granted in Canadian dollars.
- (4) Daryl Rebeck resigned Chairman and a Director of the Company on February 24, 2025. Refer to the charts below as to Mr. Rebeck's exercise of outstanding restricted share units awarded on October 16, 2023, and the expiry of Mr. Rebeck's stock options granted on December 30, 2024.
- (5) Bryan Cunningham was appointed President of the Company on January 13, 2025.
- (6) Jason Burinesco was appointed Executive Chairman and a Director of the Company on February 24, 2025.

Exercise of Compensation Securities by NEOs and Directors

Michael Lanzara Exercise of Restricted Share Units

Michael Lanzara resigned as both President and Chief Technology Officer on February 27, 2024. A total of 11,341 restricted share units were exercised by Michael Lanzara. On November 26, 2024, the Company consolidated its

Common Shares on the basis of ten (10) pre-consolidation Common Shares for every one (1) post-consolidation Common Share. Refer to the table below:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Michael Lanzaro former President and former Chief Technology Officer	RSU	11,341	N/A	May 22, 2024	C\$1.60	N/A	C\$18,146

Expiry of Michael Lanzaro 112,248 Outstanding Restricted Share Units

Under the terms of the Company's Omnibus Incentive Plan, the following restricted share units ("RSUs") previously granted to Michael Lanzaro expired unexercised:

- 67,248 RSUs granted on October 16, 2023, expiring on October 16, 2028;
- 25,000 RSUs granted on April 7, 2021, expiring on April 7, 2026; and
- 20,000 RSUs granted on April 26, 2022, expiring on April 26, 2027.

All of the above awards expired in accordance with the terms of the plan without having been exercised or settled in common shares.

Expiry of Michael Lanzaro Outstanding Stock Options

Under the terms of the Company's Omnibus Long-Term Incentive Plan, Mr. Michael Lanzaro had 90 days from the date of his resignation to exercise his outstanding stock options, consisting of 25,000 options granted on April 7, 2021, exercisable at C\$5.00 per share and expiring on April 7, 2026, and 20,000 options granted on April 26, 2022, exercisable at C\$4.10 per share and expiring on April 26, 2027. Mr. Lanzaro did not exercise these options within the prescribed period, and accordingly, all 45,000 stock options expired unexercised.

Daryl Rebeck Exercise of Restricted Share Units Exercise Post December 31, 2024 financial year end

Daryl Rebeck resigned as both Chairman and a Director of the Company on February 24, 2025. Under the terms of the Company's Omnibus Long-Term Incentive Plan, Mr. Rebeck exercised the following restricted share units ("RSUs") prior to his resignation:

- 30,000 RSUs granted on October 16, 2023, expiring on October 16, 2028;
- 25,000 RSUs granted on April 7, 2021, expiring on April 7, 2026; and
- 20,000 RSUs granted on April 26, 2022, expiring on April 26, 2027.

All of the above RSUs were exercised by Mr. Rebeck in accordance with the terms of the plan. Refer to the table below:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Daryl Rebeck former Chairman and former Director	RSU	30,000	N/A	March 3, 2025	C\$1.58	N/A	C\$47,400
Daryl Rebeck former Chairman and former Director	RSU	25,000	N/A	March 3, 2025	C\$1.58	N/A	C\$39,500
Daryl Rebeck former Chairman and former Director	RSU	20,000	N/A	March 3, 2025	C\$1.58	N/A	C\$31,600

Expiry of Daryl Rebeck Outstanding Stock Options

Under the terms of the Company's Omnibus Long-Term Incentive Plan, Mr. Daryl Rebeck had 90 days from the date of his resignation to exercise his outstanding stock options, consisting of 350,000 options granted on December 30, 2024, exercisable at C\$0.80 per share and expiring on December 30, 2029; 25,000 options granted on April 7, 2021, exercisable at C\$5.00 per share and expiring on April 7, 2026; and 20,000 options granted on April 26, 2022, exercisable at C\$4.10 per share and expiring on April 26, 2027. Mr. Rebeck did not exercise these options within the prescribed period, and accordingly, all 395,000 stock options expired unexercised.

Employment, Consulting and Management Agreements

The following is a summary of the terms of the employment, consulting and management agreements of the Company's directors and NEOs during the fiscal year ended December 31, 2024:

William Frain – CEO

During fiscal year ended December 31, 2024, Mr. Frain is party to an employment agreement dated December 7, 2018 (the "Frain Employment Agreement") with DrawDown Technologies, Inc., a wholly-owned US subsidiary of DrawDown ("DrawDown US"), pursuant to which Mr. Frain serves as the Chief Executive Officer of DrawDown US. Mr. Frain's term of employment under the Frain Employment Agreement (the "Term") began on January 7, 2019, for an initial two-year period that is automatically renewed for successive one-year periods thereafter until terminated by either party. During the Term, Mr. Frain is entitled to: (i) an annual base salary of USD\$275,000, subject to annual review and discretionary increase by the Board; (ii) an annual bonus for each year during the Term, based upon the achievement of annual performance goals established by the Board and subject to his continued employment through December 31 of such year; (iii) equity awards under DrawDown's executive equity compensation program; (iv) health insurance coverage, with the employer paying 100% of the cost of individual coverage and 50% of the additional cost for family coverage; (v) other benefits, including, without limitation, retirement savings, dental, disability, employee life, group life, AD&D, travel accident insurance, and fringe benefits, if any, provided by the company and its affiliates, on the same terms and conditions generally applicable to other executives; (vi) 20 vacation days per year; and (vii) business expense reimbursement in accordance with the applicable policy of the company and its affiliates.

Upon his termination of employment for any reason, Mr. Frain is entitled to (i) payment of any earned but unpaid base salary; (ii) reimbursement for any previously incurred but unreimbursed business expenses; and (iii) receipt of any vested or earned amounts or benefits under any benefit plan in which he participates. If Mr. Frain's employment is terminated by the company without "cause" or by Mr. Frain for "good reason" (as such terms are defined in the Frain Employment Agreement), then subject to his execution and non-revocation of a severance agreement and a release of claims, Mr. Frain will also be entitled a lump sum payment equal to the sum of (a) any annual bonus earned but unpaid as of his termination date plus (b) the base salary that, but for such termination of employment, he would have continued receiving until the earlier of (I) the last day of the Term and (II) the first anniversary of his termination date.

Omar Garcia Abrego – CFO and Corporate Secretary

During fiscal year ended December 31, 2024, Mr. Garcia is party to an executive employment agreement dated January 1, 2025, (the "Garcia Employment Agreement"). Under the terms of the Garcia Employment Agreement, Mr. Garcia is entitled to: (i) a base salary of C\$240,000 per annum from January 1, 2025 to May 31, 2025, increasing to C\$310,000 per annum effective June 1, 2025; (ii) a target bonus equal to 30% of base salary, plus a one-time bonus of C\$30,000 upon successful NASDAQ uplisting, and an additional performance-based bonus of up to C\$20,000 for 2025 performance; (iii) participation in the Company's stock option plan and other equity-based incentive programs, subject to Board and regulatory approval; (iv) five weeks of paid vacation per calendar year; (v) employee health and benefit coverage as per the Company's standard plans; and (vi) reimbursement for professional development and designation-related membership dues.

If terminated without cause, Mr. Garcia is entitled to: (i) continuation of benefits for 12 months; (ii) acceleration of all unvested equity awards and at least 90 days to exercise such awards; (iii) payment of any accrued but unused vacation; (iv) a severance payment equal to six months' compensation and bonus (increased to twelve months if terminated on or after January 1, 2026), subject to execution of a full release. In the event of termination within one year following a Change of Control (and under specific qualifying conditions), Mr. Garcia is entitled to the same termination entitlements as set out above under a "termination without cause."

Mr. Garcia is also bound by standard non-solicitation and confidentiality provisions and has fiduciary obligations consistent with his role as CFO of a public company.

Prior to his employment agreement, Mr. Garcia was party to a consulting agreement dated January 1, 2022, (the "Consulting Agreement") with the Company, pursuant to which Mr. Garcia serves as the Company's Chief Financial Officer and Corporate Secretary. The term of the Consulting Agreement (the "Term") began on January 1, 2022, and continued until its replacement by the Garcia Employment Agreement. During the Term, Mr. Garcia was entitled to (i) a fee of C\$11,000 per month for consulting services (plus any taxes payable on such services), subject to not less than annual review and discretionary increase by the Company; (ii) bonuses based on the achievement of performance goals determined by the Company's Chief Executive Officer and approved by the Company's Compensation Committee; (iii) stock options granted from time to time at the discretion of the Board; and (iv) business expense reimbursement in accordance with the Company's guidelines, as in effect from time to time. The Consulting Agreement also imposed obligations on Mr. Garcia to protect the Company's confidential information, assign intellectual property rights to the Company, and refrain from soliciting the Company's employees, independent contractors, consultants, suppliers, licensors, licensees, contractors, agents, strategic partners, or other providers of products or services to the Company from terminating or modifying such relationships for a 12-month period following termination of the Consulting Agreement for any reason.

Mr. Garcia was permitted to terminate the Consulting Agreement and resign from his position as CFO and Corporate Secretary for any reason by providing the Company two months' written notice. The Company was able to waive such notice in whole or in part by paying Mr. Garcia an amount equal to the fees for the balance of such two-month notice period. The Company was permitted to terminate the Consulting Agreement at any time with or without "just cause" (as defined in the Consulting Agreement). If the Consulting Agreement had been terminated by Mr. Garcia for any reason or by the Company for just cause, Mr. Garcia would not have been entitled to any severance payments or unearned bonuses (other than any payments in lieu of notice described above).

If the Company had terminated the Consulting Agreement without just cause, Mr. Garcia would have been entitled to the following benefits: (i) accelerated vesting of all outstanding unvested equity awards, which would have remained exercisable for period of not less than 90 days thereafter; and (ii) pay in lieu of notice equal to the sum of (a) three months of fees plus (b) an additional one month of fees for each full year that Mr. Garcia had been engaged by the Company, up to an aggregate maximum of six months of fees.

In lieu of the foregoing, if the Consulting Agreement had been terminated by the Company without just cause or by Mr. Garcia for “good reason” (as defined in the Consulting Agreement) within one year following a “change of control” (as defined in the Consulting Agreement), Mr. Garcia would have been entitled to a lump sum termination payment equal to two times the amount that he would have received if the Company had terminated the Consulting Agreement outside of such one-year period, up to an aggregate maximum of twelve months of fees.

Oversight and Description of Director and NEO Compensation

The Board has a compensation committee (the “**Compensation Committee**”) and a Corporate Governance Committee (the “**Corporate Governance Committee**”). The Compensation Committee is charged with reviewing, overseeing and evaluating the compensation policies of the Company, and the Corporate Governance Committee is charged with reviewing, overseeing and evaluating the governance and nominating policies of the Company. The Company’s compensation policies and programs are designed to be competitive with comparable companies in the defense technology industry and to recognize and reward executive performance consistent with the success of the Company’s business. These policies and programs are intended to attract and retain capable and experienced people. The Company’s compensation policy is to ensure that the Company’s compensation goals and objectives, as applied to the actual compensation paid to the Company’s CEO and other executive officers, are aligned with the Company’s overall business objectives and with shareholder interests.

In addition, the Compensation Committee is responsible for:

- assessing the effectiveness of the Board, each of its committees and individual directors;
- administering any stock option or purchase plan of the Company or any other compensation incentive programs;
- assessing the performance of the officers and other members of the executive management team of the Company;
- reviewing and approving the compensation paid by the Company, if any, to consultants of the Company; and
- reviewing and making recommendations to the Board concerning the level and nature of the compensation payable, if any, to the directors and officers of the Company.

Currently, the Compensation Committee is composed of three members, being Arjun Grewal (Chair), and William Frain.

Currently the Corporate Governance Committee is composed of three members, being Arjun Grewal (Chair), and William Frain.

Pension Disclosure

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets out equity compensation plan information of issued and outstanding share capital of 43,331,347 Common Shares as at December 31, 2024.

Plan Category	Number of securities to be issued upon exercise of outstanding options, deferred share units and restricted share units (a)	Weighted-average exercise price of outstanding options, deferred share units and restricted share units (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders – Omnibus Long-Term Incentive Plan	3,227,250 Options Nil DSUs 536,325 RSUs	C\$1.29 Stock Options DSUs NA RSUs N/A	1,105,885 Stock Options 4,333,135 DSUs 3,796,810 RSUs

Plan Category	Number of securities to be issued upon exercise of outstanding options, deferred share units and restricted share units (a)	Weighted-average exercise price of outstanding options, deferred share units and restricted share units (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	3,227,250 Options Nil DSUs 536,325 RSUs		1,105,885 Stock Options 4,333,135 DSUs 3,796,810 RSUs

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

Non-Brokered Private Placement

On January 12, 2024, the Company closed the initial tranche of a private placement conducted under the Listed Issuer Financing Exemption ("LIFE"), issuing 590,068 units at a price of C\$1.50 per unit for gross proceeds of C\$885,102. Each unit consisted of one common share and one share purchase warrant exercisable at C\$2.00 per share until January 12, 2027. William Frain, Chief Executive Officer and Director of the Company, participated in the financing by purchasing 33,333 units.

On December 18, 2024, the Company closed the initial tranche of a non-brokered private placement, issuing 25,000,000 units at a price of C\$0.32 per unit for gross proceeds of C\$8,000,000. Each unit consisted of one common share and one-half of one share purchase warrant, with each whole warrant exercisable at C\$0.55 per share until December 18, 2026, subject to accelerated expiry at the Company's election under certain conditions. Jennifer Frain, the wife of William Frain Chief Executive Officer and Director of the Company, participated in this financing by purchasing 500,000 units.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

PARTICULARS OF MATTERS TO BE ACTED ON

Ratification of Omnibus Long-Term Incentive Plan, as Amended

As described above under heading "Stock Option Plans and Other Compensation Plans" above, the Company has an Omnibus Long-Term Incentive Plan (the "**Omnibus Incentive Plan**") which was last approved by shareholders of the Company at the Company's December 6, 2024 annual general meeting.

As referenced in this Circular, on November 6, 2025, the Board made amendments to the Omnibus Incentive Plan.

Shareholders will be asked at the Meeting to pass an ordinary resolution to the Omnibus Incentive Plan dated November 6, 2025, and in accordance with TSX Venture Exchange, obtain shareholder approval on an annual basis.

A copy of the Omnibus Incentive Plan dated for reference November 6, 2025, is attached as Schedule B to this Circular and will be made available at the Meeting.

Approval of the Omnibus Incentive Plan, as amended, must be passed by a simple majority of votes cast in favour in respect thereof by shareholders present in person or represented by proxy at the Meeting.

Shareholder Approval

“BE IT RESOLVED, as an ordinary resolution of the shareholders, with or without variation, that:

1. the Omnibus Incentive Plan dated for reference November 6, 2025 as disclosed in the Information Circular dated November 3, 2025 prepared for the annual general meeting of the Company to be held on December 12, 2025 (the “**Meeting**”), and as attached as Schedule B to the Information Circular for the Meeting, is hereby ratified, confirmed and approved for implementation as the New Omnibus Incentive Plan (the “**New Omnibus Incentive Plan**”), such that it replaces the Company’s Omnibus Incentive Plan dated March 27, 2019, as amended October 25, 2022 and October 26, 2023, in its entirety (the “**2023 Plan**”), and for continuation until the next annual meeting of the Company, subject to the approval of the shareholders of the Company;
2. the form of the New Omnibus Incentive Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, including the TSX Venture Exchange, without requiring further approval of the shareholders of the Company;
3. the New Omnibus Incentive Plan will serve as the successor incentive plan and to replace the 2023 Plan, and no further securities issued under the 2023 Plan shall be granted under the 2023 Plan and after the Effective Date of the New Omnibus Incentive Plan;
4. subject to the effectiveness of the New Omnibus Incentive Plan, all existing securities issued under the 2023 Plan shall be amended such that they are governed by the terms of the New Omnibus Incentive Plan and no longer be governed by the 2023 Plan;
5. the maximum number of Common Shares issued, at any time, under the New Omnibus Incentive Plan and all other proposed or established Share Compensation Arrangements, shall not exceed ten percent (10%) of the Outstanding Issue from time to time;
6. the maximum number of Common Shares which may be issued under the New Omnibus Incentive Plan and all other Security Based Compensation Arrangements of the Company pursuant to awards of Restricted Share Units (“RSUs”) and Deferred Share Units (“DSUs”) shall not exceed 10% of the total number of Common Shares issued and outstanding as of November 6, 2025 (the record date to the Company’s December 12, 2025 annual general meeting), such number not to exceed 7,717,877 Common Shares;
7. the Company is authorized to grant Options and to reserve and issue Common Shares upon the exercise of Options pursuant to the New Omnibus Incentive Plan, and to award RSUs and to award DSUs and issue Common Shares upon vesting of RSUs and DSUs awarded pursuant to the New Omnibus Incentive Plan;
8. any Common Shares issued pursuant to and in compliance with the terms and conditions attaching to the applicable Options granted under the provisions of the New Incentive Omnibus Plan, shall be fully paid and non-assessable Common Shares in the share capital of the Company;
9. the Company is authorized to reserve and issue Common Shares upon the vesting of RSUs and DSUs awarded pursuant to the New Omnibus Incentive Plan;

10. any Common Shares issued pursuant to and in compliance with the terms and conditions attaching to the applicable RSUs and DSUs awarded under the provisions of the New Omnibus Plan, shall be fully paid and non-assessable Common Shares in the share capital of the Company;
11. notwithstanding approval of the shareholders of the Company as herein provided, the board of directors may, in its sole discretion, revoke this resolution at any time before it is acted upon and determine not to proceed with the adoption of the New Omnibus Incentive Plan without further approval of the shareholders of the Company; and
12. any director or officer of the Company be, and such director or officer of the Company hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or to cause to be executed, under seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments, and to do or to cause to be done all such other acts and things, as in the opinion of such director or officer of the Company may be necessary or desirable in order to fulfill the intent of the foregoing resolution.”

Recommendation of the Board

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

UNLESS OTHERWISE DIRECTED, IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES TO VOTE THE PROXIES IN FAVOUR OF THE ORDINARY RESOLUTION TO RATIFY, CONFIRM AND APPROVE THE NEW OMNIBUS INCENTIVE PLAN.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company’s SEDAR+ corporate profile at www.sedarplus.ca. Financial information about the Company is provided in the Company’s comparative annual financial statements to December 31, 2024 and December 31, 2023, together with the auditor’s report thereon, and the related Management’s Discussion and Analysis, can be found on the Company’s SEDAR+ corporate profile at www.sedarplus.ca. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company by telephone at (604) 809-2500 or by email at info@libertydefense.com.

BOARD APPROVAL

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

DATED at Vancouver, British Columbia as at November 3, 2025.

ON BEHALF OF THE BOARD

“William Frain”

William Frain
Chief Executive Officer and Director

SCHEDULE A

LIBERTY DEFENSE HOLDINGS, LTD. (the “Company”)

AUDIT COMMITTEE CHARTER

1. MANDATE

The audit committee will assist the board of directors of the Company (the “**Board**”) in fulfilling its financial oversight responsibilities. The committee will review and consider, in consultation with the Company’s external auditors, the financial reporting process, the system of internal control over financial reporting and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Company’s business, operations and risks.

2. COMPOSITION

The Board will appoint, from among their membership, an audit committee after each annual meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 *Independence*

A majority of the members of the audit committee must be “independent” (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) (“**NI 52-110**”).

2.2 *Expertise of Committee Members*

A majority of the members of the audit committee must be “financially literate” (as defined in Sec. 1.6 of NI 52 110) or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise.

3. MEETINGS

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company’s Chief Financial Officer and external auditors in separate executive sessions.

4. ROLES AND RESPONSIBILITIES

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 *External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board that the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attestation services for the Company;
- (b) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (f) review and approve the Company's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Company.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information of the Company prior to their release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;

Annual Financial Statements

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered;
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public;

Interim Financial Statements

- (f) review and approve the interim financial statements prior to their release to the public;
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public; and

Release of Financial Information

- (h) where reasonably possible, review and approve all public disclosure containing financial information, including news releases, prior to release to the public. An audit committee must be

satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and must periodically assess the adequacy of those procedures.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the audit committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;

- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including 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 any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6. GUIDANCE — ROLES & RESPONSIBILITIES

The audit committee should consider undertaking the actions described in the following guidance, which is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities,
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown, and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

6.2 Financial Reporting

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements,
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks,
- (c) understand industry best practices and the Company's adoption of them;

Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect

appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;

- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors;
- (h) ensure that the external auditors communicate all required matters to the committee;

Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements;
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Company's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Company's financial and operating controls are functioning effectively;
 - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures;

6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges; and

6.4 *Other Responsibilities*

- (a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.

SCHEDULE B
NEW OMNIBUS INCENTIVE PLAN

LIBERTY DEFENSE HOLDINGS, LTD.
OMNIBUS LONG-TERM INCENTIVE PLAN
Dated for Reference November 6, 2025

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**LIBERTY DEFENSE HOLDINGS, LTD.
OMNIBUS LONG-TERM INCENTIVE PLAN**

Liberty Defense Holdings, Ltd. (the “**Corporation**”) hereby establishes an omnibus long-term incentive plan for certain qualified directors, officers, Employees, Consultants and service providers providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have an impact on the Corporation’s long-term results.

This Plan supersedes, replaces and is in substitution for the Company’s prior Omnibus Long-Term Incentive Plan dated for reference March 27, 2019, as amended October 25, 2022 and October 26, 2023. Any securities issued under this Long-Term Incentive Plan that are outstanding as of the date hereof are covered by this Plan.

**ARTICLE 1
DEFINITIONS**

Section 1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

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

“**Affiliates**” means a company that is a Subsidiary or a parent of the Corporation, or that is controlled by the same entity as the Corporation

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

“**Awards**” means Options, RSUs and DSUs granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain Persons designated by the Corporation;

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

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when Canadian chartered banks are generally open for business in Vancouver, British Columbia, Canada, for the transaction of banking business;

“Cash Equivalent” means the amount of money equal to the Market Value multiplied by the number of vested RSUs or DSUs in the Participant’s Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date or the date the Corporation receives, or is deemed to receive, the DSU Redemption Notice, as applicable;

“Change in Control” means the occurrence of any of the following events: (i) the acquisition, directly or indirectly, by any Person or group of Persons acting jointly or in concert, within the meaning of National Instrument 62-104 - Takeover Bids and Issuer Bids (or any successor instrument thereto), of a beneficial interest in voting or equity securities of the Corporation, together with all voting or equity securities of the Corporation at the time held beneficially, directly or indirectly by such person or persons acting jointly or in concert, equal to more than 50% of the votes associated with the outstanding voting securities of the Corporation; (ii) a merger, consolidation, plan of arrangement or reorganization of the Corporation that results in the beneficial, direct or indirect transfer of more than 50% of the total voting power of the resulting entity’s outstanding securities to a person, or group of persons acting jointly and in concert, who are different from the person(s) that have, beneficially, directly or indirectly, more than 50% of the total voting power prior to such transaction; (iii) any sale, lease, exchange or other transfer (in one transaction or series of related transactions) of all or substantially all of the Corporation’s property and assets, or (iv) the Corporation’s shareholders approving any plan or proposal for the liquidation or dissolution of the Corporation;

“Code of Conduct” means any code of conduct adopted by the Corporation, as modified from time to time;

“Committee” has the meaning ascribed thereto in Section 2.2(1) hereof;

“Consultant” has the meaning given to the term in Policy 4.4 of the TSXV Policies, as same may be amended, supplemented or replaced from time to time;

“Corporation” means **Liberty Defense Holdings, Ltd.**, a corporation existing under the *Business Corporations Act* (British Columbia), as amended from time to time;

“Disinterested Shareholder Approval” means the approval of a majority of shareholders of the Corporation voting on a resolution at a duly called and held meeting of such shareholders, excluding votes of Insiders to whom Options or Awards may be granted under the Plan;

“Dividend Equivalent” means a cash equivalent in value to a dividend paid on a Share credited to a Participant’s Account;

“DSU” means a deferred share unit, which is a bookkeeping entry equivalent in value to a Share credited to a Participant’s Account in accordance with Article 4 hereof;

“DSU Awards” means DSUs granted to a Participant pursuant to the terms of the Plan;

“DSU Grant Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof, substantially in the form of Appendix “B” hereto;

“DSU Redemption Notice” has the meaning ascribed thereto in Section 4.3(1) hereof;

“Eligible Director” means a member of the Board who, at the time of execution of a Grant Agreement, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other Employees of the Corporation or a Subsidiary, consultants or service providers providing ongoing services to the Corporation and its Affiliates;

“Eligible Participants” has the meaning ascribed thereto in Section 2.3(1) hereof;

“Employee” means:

- (a) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
- (b) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (c) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
- (d) any employee of the Corporation or an Affiliate. Directors who are not otherwise employed by the Corporation or an Affiliate shall not be considered Employees under this Plan;

“Employment Agreement” means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

“Exchange” the principal stock exchange on which the Shares are listed, including the TSXV or the TSX;

“Exchange Hold Period” has the meaning given to the term in Policy 1.1 of the TSXV Policies, as same may be amended, supplemented or replaced from time to time;

“Exercise Notice” means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

“Exercise Price” means the amount payable per Share on the exercise of an Option, as determined in accordance with the terms hereof;

“Grant Agreement” means an agreement evidencing the grant to a Participant of an Award, including an Option Grant Agreement, a DSU Grant Agreement, an RSU Grant Agreement or an Employment Agreement;

“Insider” has the meaning given to the term in Policy 1.1 of the TSXV Policies, as same may be amended, supplemented or replaced from time to time;

“Investor Relations Activities” has the meaning given to the term in Policy 1.1 of the TSXV Policies, as same may be amended, supplemented or replaced from time to time;

“Investor Relations Individual” means a Person who provides Investor Relations Activities to the Corporation or a shareholder of the Corporation;

“Market Value” means, at any date when the market value of Shares of the Corporation is to be determined, the closing price of the Shares on the Trading Day prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

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

“Option Grant Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix “A” hereto;

“Option Price” has the meaning ascribed thereto in Section 3.3 hereof;

“Option Term” has the meaning ascribed thereto in Section 3.4 hereof;

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

“Participant’s Account” means an account maintained for each Participant’s participation in DSUs and/or RSUs under the Plan;

“Participants” means Eligible Participants that are granted Awards under the Plan;

“Performance Criteria” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

“Performance Period” means the period determined by the Board pursuant to Section 5.3 hereof;

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

“Plan” means this Omnibus Long-term Incentive Plan, as amended and restated from time to time;

“Restriction Period” means the period determined by the Board pursuant to Section 5.3 hereof;

“RSU” means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“RSU Awards” means RSUs granted to a Participant pursuant to the terms of the Plan;

“RSU Grant Agreement” means a written letter agreement between the Corporation and a Participant evidencing a grant of RSUs and the terms and conditions thereof, such RSU Grant Agreement to be substantially in the form of Appendix “C” hereto;

“RSU Settlement Date” has the meaning determined in Section 5.6(1)(a);

“RSU Settlement Notice” means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs.

“RSU Vesting Determination Date” has the meaning described thereto in Section 5.5 hereof;

“Share Compensation Arrangement” means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, Insiders, service providers or Consultants of the Corporation or a Subsidiary including a Share purchase from treasury by a full-time employee, director, officer, Insider, service provider or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

“Shares” means the common shares in the capital of the Corporation;

“Subsidiary” means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

“Successor Corporation” has the meaning ascribed thereto in Section 7.1(3) hereof;

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

“Termination Date” means the date on which a Participant ceases to be an Eligible Participant;

“Trading Day” means any day on which the TSXV or TSX is open for trading;

“TSX” means the Toronto Stock Exchange;

“TSXV” means the TSX Venture Exchange; and

“**TSXV Policies**” refers to policies contained within the TSX Venture Exchange Corporate Finance Manual.

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

ARTICLE 2

PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

Section 2.1 Purpose of the Plan.

- (1) The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:
 - (a) to increase the interest in the Corporation’s welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
 - (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
 - (c) to reward the Participants for their performance of services while working for the Corporation or a Subsidiary; and
 - (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment or into contractual arrangements.

Section 2.2 Implementation and Administration of the Plan.

- (1) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board (the “**Committee**”) and consisting of not less than three (3) members of the Board. If a Committee is appointed for this purpose, all references to the term “Board” will be deemed to be references to the Committee.
- (2) The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the Exchange. Subject to the provisions of the Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on all Eligible Participants.

- (3) No member of the Board shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
- (4) Any determination approved by a majority of the Board shall be deemed to be a determination of that matter by the Board.

Section 2.3 Eligible Participants.

- (1) The Persons who shall be eligible to receive Awards (“**Eligible Participants**”) shall be the directors, officers, senior executives and other Employees of the Corporation or a Subsidiary, Consultants and service providers providing ongoing services to the Corporation and its Affiliates, who the Board may determine from time to time, in its sole discretion, to hold contributory positions in the Corporation or a Subsidiary. In determining Awards to be granted under the Plan, the Board shall give due consideration to the value of each Eligible Participant’s present and potential future contribution to the Corporation’s success. For greater certainty, a Person whose employment with the Corporation or a Subsidiary has ceased for any reason, or who has given notice or been given notice of such cessation, whether such cessation was initiated by such Employee, service provider, the Corporation or such Subsidiary, as the case may be, shall cease to be eligible to receive Awards hereunder as of the date on which such Person provides notice to the Corporation or the Subsidiary, as the case may be, in writing or verbally, of such cessation, or on the Termination Date for any cessation of a Participant’s employment initiated by the Corporation.
- (2) For Eligible Participants who are Employees, Consultants or Eligible Directors of the Corporation, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Eligible Director, as the case may be.
- (3) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant’s relationship or employment with the Corporation.
- (4) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment or appointment by the Corporation to the Participant.

Section 2.4 Shares Subject to the Plan.

Subject to adjustment pursuant to provisions of Article 7 hereof, and as may be approved by the Exchange and the shareholders of the Corporation from time to time:

- (1) The total number of Shares reserved and available for the grant and issuance of Options shall not exceed ten percent (10%) of the Outstanding Issue, or such other number as may be approved by the TSXV and the shareholders of the Corporation from time to time.
- (2) The maximum number of Shares issued, at any time, under this Plan and all other proposed or established Share Compensation Arrangements, shall not exceed ten percent (10%) of

the Outstanding Issue from time to time. For greater certainty, the number of Shares reserved and available for grant and issuance pursuant to DSUs, RSUs and Options shall not, in aggregate, exceed ten percent (10%) of the Outstanding Issue from time to time.

- (3) The maximum number of Shares issued to Eligible Participants who are Insiders, at any point in time, under this Plan and all other proposed or established Share Compensation Arrangements, shall not exceed ten percent (10%) of the Outstanding Issue from time to time, pursuant to section 4.11(b) of TSXV Policy 4.4.
- (4) The maximum number of Shares granted, pursuant to all proposed or established Share Compensation Arrangements, in any twelve (12) month period, to Eligible Participants who are Insiders, shall not exceed ten percent (10%) of the Outstanding Issue from time to time, pursuant to section 4.11(c) of TSXV Policy 4.4.
- (5) The maximum number of Shares issued to any one Person (and companies wholly owned by that Person) within any one (1) year period shall not exceed five percent (5%) of the Outstanding Issue, calculated on the date an Option is granted to the Person.
- (6) The maximum number of Shares issued to any one Consultant, within any one (1) year period, under this Plan and all other proposed or established Share Compensation Arrangements, shall not exceed two percent (2%) of the Outstanding Issue calculated as at the date any Security Based Compensation is granted or issued to any Insider.
- (7) The maximum number of Shares issued, in aggregate, to all Investor Relations Individuals, within any twelve (12) month period, under this Plan and any other proposed or established Share Compensation Arrangements, shall not exceed two percent (2%) of the Outstanding Issue from time to time, calculated at the date an Option is granted to such Investor Relations Individuals.
- (8) Investor Relations Individuals are eligible pursuant to this Plan to receive only Awards of Options. Investor Relations Individuals are not eligible to receive DSUs, RSUs or any Award other than Options, pursuant to this Plan.
- (9) Any Award granted pursuant to the Plan and any other Share Compensation Arrangements, prior to a Participant becoming an Insider, shall be included for the purposes of the limits set out in Section 2.4(2) and Section 2.4(5).
- (10) The maximum number of Awards, excluding Options, issued to any one Eligible Participant shall not exceed: (i) 1% of the Outstanding Issue at the date such Award is granted; and (ii) 2% of the Outstanding Issue within the most recent twelve (12) month period.
- (11) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or settled prior to the termination of such Award due to the expiration, termination, cancellation or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan.

Section 2.5 Granting of Awards.

- (1) Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- (2) Any Award granted under the Plan shall be subject to the requirement that the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan including, but in no way limited to, placing a legend to the effect that the securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States unless registration or an exemption from registration is available.

ARTICLE 3 OPTIONS

Section 3.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, subject to the provisions hereof.

Section 3.2 Option Awards.

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

- (iii) determine the Option Price and the Option Term for such Investor Relations Individuals,
- (iv) determine relevant vesting provisions (including Performance Criteria, if applicable) for such Investor Relations Individuals, provided vesting of the Options will occur in stages over a period of not less than twelve (12) months with a maximum of 25% of the Options vesting in any three (3) month period, provided that there can be no acceleration of the vesting requirements applicable to Options granted to Investor Relations Individuals; and

the whole being subject to the terms and conditions prescribed in this Plan, in any Option Grant Agreement and any applicable rules of the Exchange.

- (4) Each Option granted shall be subject to vesting terms as set forth in the Option Grant Agreement or as otherwise specified by the Board.

Section 3.3 Option Price.

The Option Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant. Where the Exercise Price of an Option is at a discount to the Market Value, all Options and any Shares issued under such Options exercised prior to the expiry of the Exchange Hold Period shall be legended with the Exchange Hold Period commencing on the date the Options were granted.

Section 3.4 Option Term.

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in this Plan, or in the Option Grant Agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted ("**Option Term**"). Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.
- (2) Should the expiration date for an Option fall within a Black-Out Period or within nine (9) Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 7.2 hereof, the ten (10) Business Day period referred to in this Section 3.4 may not be extended by the Board. Notwithstanding the foregoing, in the event that a Participant receives Shares in satisfaction of an Award during a Black-Out Period, the Corporation shall advise such Participant of the same in writing and such Participant shall not be entitled to sell or otherwise dispose of such Shares until such Black-Out Period has expired.

Section 3.5 Exercise of Options.

- (1) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (2) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria (if applicable) and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.

Section 3.6 Method of Exercise and Payment of Purchase Price.

- (1) Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Chief Financial Officer & Corporate Secretary of the Corporation (or the individual that the Chief Financial Officer & Corporate Secretary of the Corporation may from time to time designate), together with a bank draft, certified cheque or other form of payment acceptable to the Corporation in an amount equal to the aggregate Option Price of the Shares to be purchased pursuant to the exercise of the Options.
- (2) Where Shares are to be issued to the Participant pursuant to the terms of this Section 3.6, as soon as practicable following the receipt of the Exercise Notice and, if Options are exercised in accordance with the terms of Section 3.6(1), the required bank draft, certified cheque or other acceptable form of payment, the Corporation shall duly issue such Shares to the Participant as fully paid and non-assessable.
- (3) Upon the exercise of an Option pursuant to Section 3.6(1), the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to either:
 - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
 - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book

position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.

Section 3.7 Cashless Exercise

- (1) Subject to the provisions of this Plan (including, without limitation Section 8.2) and, upon prior approval of the Board, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:
 - (a) excluding Options held by any Investor Relations Service Individual, a “net exercise” procedure in which the Corporation issues to the Optionee, Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the Exercise Price of the subject Options by (ii) the VWAP of the underlying Shares; or
 - (b) a broker assisted “cashless exercise” in which the Corporation delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Corporation to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Corporation an amount equal to the Exercise Price and all applicable required withholding obligations a determined by the Corporation against delivery of the Shares to settle the applicable trade.

An Option may be exercised pursuant to this Section 3.7 from time to time by delivery to the Corporation, at its head office or such other place as may be specified by the Corporation of (i) written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Optionee or the Corporation arising under applicable law and verified by the Corporation to its satisfaction (or by entering into some other arrangement acceptable to the Corporation in its discretion, if any). The Participant shall comply with Section 8.2 of this Plan with regard to any applicable required withholding obligations and with such other procedures and policies as the Corporation may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board in connection with such exercise.

- (2) In the event of a net exercise pursuant to Section 3.7(1)(a) or a cashless exercise pursuant to Section 3.7(1)(b), the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Corporation, must be included in calculating the limits set forth in Section 2.4 of this Plan.

Section 3.8 Option Grant Agreements.

Options shall be evidenced by an Option Grant Agreement or included in an Employment Agreement or other services agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 3 and Article 6 hereof be included therein. The Option Grant Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the

income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

ARTICLE 4 DEFERRED SHARE UNITS

Section 4.1 Nature of DSUs.

A DSU is an Award attributable to a Participant's duties of an office, directorship or employment and that, upon settlement, entitles the recipient Participant to receive such number of Shares as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after the Termination Date for the Participant.

Section 4.2 DSU Awards.

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants (who, for purposes of the grant of DSUs, shall not include Consultants) who may receive DSU Awards under the Plan, (ii) fix the number of DSU Awards to be granted to each Eligible Participant and the date or dates on which such DSU Awards shall be granted, and (iii) determine the relevant conditions and vesting provisions for such DSU Awards, subject to the terms and conditions prescribed in this Plan and in any DSU Grant Agreement.
- (2) Each DSU shall be subject to vesting terms as set forth in the DSU Grant Agreement or as otherwise specified by the Board, and, pursuant to TSXV Policy 4.4, s. 4.6, in all instances DSUs will not vest until a minimum of one year following award of the DSUs has passed.
- (3) Subject to vesting and other conditions and provisions set forth herein and in the DSU Grant Agreement, each DSU awarded shall entitle the Participant to one (1) Share, or the Cash Equivalent, or a combination thereof.
- (4) The DSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor to such provision.

Section 4.3 Redemption of DSUs.

- (1) Each Participant shall be entitled to redeem his or her DSUs, during the period commencing on the Business Day immediately following the Termination Date and ending on December 15 of the second calendar year following the Termination Date, or a shorter redemption period set out in the relevant DSU Grant Agreement, provided such shorter redemption period is a minimum of one year following the date of grant of the DSUs, pursuant to TSXV Policy 4.4, s. 4.6, and such one-year vesting period is stated in the DSU Redemption Notice. A Participant may redeem his or her DSUs by providing a written notice of settlement to the Corporation setting out the number of DSUs to be settled and the particulars regarding the registration of the Shares issuable upon settlement (the "**DSU Redemption Notice**"). Pursuant to TSXV Policy 4.4, s. 4.6, acceleration of vesting is

permitted if a Participant ceases to be eligible as a Participant in connection with a change of control, take-over bid, reverse-take-over or other similar transaction.

- (2) In the event of the death of a Participant, the DSU Redemption Notice shall be filed by the administrator or liquidator of the estate of the Participant. Pursuant to TSXV Policy 4.4, s. 4.6, acceleration of the vesting date is permitted in the case of the death of a Participant, and the required minimum of one year vesting period prior to the date of redemption is waived, and such must be stated in the DSU Redemption Notice.
- (3) If a DSU Redemption Notice is not received by the Corporation on or before December 15 of the second calendar year following the Termination Date, the Participant shall be deemed to have delivered a DSU Redemption Notice on that December 15 and the Corporation shall redeem all of the Participant's DSUs in exchange for Shares to be delivered to the Participant, administrator or liquidator of the estate of the Eligible Director, as applicable.
- (4) For the purposes of determining the number of Shares from treasury to be issued and delivered to an Eligible Director upon redemption of DSUs pursuant to Section 4.3, such calculation will be made on the date the Corporation receives, or is deemed to receive, the DSU Redemption Notice and be the whole number of Shares equal to the whole number of DSUs, having vested within one year from the date of grant, then recorded in the Eligible Director's Account which the Eligible Director requests or is deemed to request to redeem pursuant to the DSU Redemption Notice. Shares issued from treasury will be issued in consideration for the past services of the Eligible Director to the Corporation and the entitlement of the Eligible Director under this Plan shall be satisfied in full by such issuance of Shares. Provided, however, that if, upon receipt by the Corporation of a DSU Redemption Notice pursuant to Section 4.3 hereof, the Corporation does not have a sufficient number of Shares reserved and available for issuance under this Plan, the Corporation will make payment of a cash amount to a Participant for a value equal to the number of DSUs multiplied by the Market Value, subject to any applicable deductions and withholdings, in lieu of issuing Shares.
- (5) For purposes of determining the Cash Equivalent of DSUs to be made pursuant to Section 4.3, such calculation will be made on the date the Corporation receives, or is deemed to receive, the DSU Redemption Notice and will be based on the Market Value on that date multiplied by the number of vested DSUs in the Participant's Account to settle in cash.
- (6) Subject to Section 4.3(6), settlement of DSUs shall take place as soon as commercially and reasonably possible following receipt or deemed receipt of the DSU Redemption Notice through delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares, or in the case of settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent.
- (7) Notwithstanding any other provision of this Plan, in the event that (i) a DSU Redemption Notice is received during a Black-Out Period or other trading restriction imposed by the Corporation; or (ii) the Participant has not delivered a DSU Redemption Notice and the

90th day following the Termination Date falls during a Black-Out Period or other trading restriction imposed by the Corporation, then settlement of the applicable DSUs shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed. Notwithstanding the foregoing, in the event that a Participant receives Shares in satisfaction of an Award during a Black-Out Period, the Corporation shall advise such Participant of the same in writing and such Participant shall not be entitled to sell or otherwise dispose of such Shares until such Black-Out Period has expired.

Section 4.4 Termination of Unvested DSU Awards.

If, as of the date the Corporation receives, or is deemed to receive, the DSU Redemption Notice, a vesting condition applicable to a DSU Award has not been satisfied or, at the discretion of the Board, waived, then such DSU Award, or portion thereof to which the vesting condition applies, shall terminate.

Section 4.5 DSU Grant Agreements.

DSUs shall be evidenced by a DSU Grant Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Grant Agreement shall contain such terms that may be considered necessary, including the date of vesting of the DSU a minimum of one year from the date of award, in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

Section 4.6 Award of Dividend Equivalents.

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional DSUs, the number of which shall be equal to a fraction where (a) the numerator is the product of (i) the number of DSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share, and (b) the denominator is the Market Value of one Share calculated on the date that dividends are paid. Any additional DSUs credited to a Participant's Account as a Dividend Equivalent pursuant to this Section 4.6 shall be subject to the same terms and conditions, including vesting conditions, as the underlying DSU Award.

Provided, however, that if, upon receipt by the Corporation of a DSU Redemption Notice pursuant to Section 4.3 hereof, the Corporation does not have a sufficient number of Shares reserved and available for issuance under this Plan, the Corporation will make payment of a cash amount to a Participant for a value equal to the number of DSUs multiplied by the Market Value, subject to any applicable deductions and withholdings, in lieu of issuing Shares.

ARTICLE 5

RESTRICTED SHARE UNITS

Section 5.1 Nature of RSUs.

An RSU is an Award entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions, vesting and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 5.2 RSU Awards.

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such RSUs, (provided, however, that no such Restriction Period shall exceed the three (3) years referenced in Section 5.4), and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Grant Agreement.
- (2) Each RSU shall be subject to vesting terms as set forth in the RSU Grant Agreement or as otherwise specified by the Board, and, pursuant to TSXV Policy 4.4, s. 4.6, in all instances RSUs will not vest until a minimum of one year following award of the RSUs has passed.
- (3) The RSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor to such provision.
- (4) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Grant Agreement, the Board shall determine whether each RSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one (1) Share; or (iii) to elect to receive either One Share from treasury, the Cash Equivalent of one (1) Share or a combination of cash and Shares.
- (5) RSUs shall be settled by the Participant at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the RSU Settlement Date (as such terms are defined in Section 5.5 and 5.6, respectively).

Section 5.3 Restriction Period.

The applicable restriction period in respect of a particular RSU Award shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year, which is three (3) years after the calendar year in which the Award is granted (“**Restriction Period**”). For example, the Restriction Period for a grant made in June 2023 shall end no later than December 31, 2026. Subject to the Board’s determination, any vested RSUs with respect to a Restriction Period will be

paid to Participants in accordance with Article 5 no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested RSUs shall be cancelled on the RSU Vesting Determination Date and, in any event, no later than the last day of the Restriction Period, but no earlier than one year from the date of the award of the RSUs to be settled.

Section 5.4 Performance Criteria and Performance Period.

- (1) For each award of RSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the RSUs held by such Participant (the **“Performance Period”**), provided that such Performance Period may not expire after the end of the Restriction Period, being a minimum of one year from the date of award of the RSUs, and ending no longer than three (3) years after the calendar year in which the Award was granted. For example, a Performance Period determined by the Board to be for a period of three (3) financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2023, the Performance Period will start on January 4, 2024 and will end on December 31, 2026.
- (2) For each award of RSUs, the Board shall establish any Performance Criteria and other vesting conditions which must be met during the Performance Period in order for a Participant to be entitled to receive Shares in exchange for his or her RSUs.

Section 5.5 RSU Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the **“RSU Vesting Determination Date”**), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than the last day of the Restriction Period. Unless otherwise specified in the RSU Grant Agreements, one-third (1/3) of RSUs awarded pursuant to an RSU Grant Agreement shall vest on each of the first three anniversaries of the date of grant. Provided that no RSUs may vest prior to one year from the date of award of such RSU. Acceleration of vesting is permitted in connection with the death of a Participant; or in connection with a change of control, take-over bid, reverse-take-over or other similar transaction.

Section 5.6 Settlement of RSUs.

- (1) Except as otherwise provided in the RSU Grant Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of an RSU are satisfied:
 - (a) all of the vested RSUs covered by a particular grant may, subject to Section 5.6(5), be settled at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the date that is five (5) years from their RSU Vesting Determination Date (the **“RSU Settlement Date”**); and

- (b) a Participant is entitled to deliver to the Corporation, on or before the RSU Settlement Date, an RSU Settlement Notice in respect of any or all vested RSUs held by such Participant.
- (2) Subject to Section 5.6(5), settlement of RSUs shall take place promptly following the RSU Settlement Date and take the form set out in the RSU Settlement Notice through:
 - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares; or
 - (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) If an RSU Settlement Notice is not received by the Corporation on or before the RSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 5.7(2).
- (4) If, upon receipt by the Corporation of a RSU Settlement Notice pursuant to Section 5.6 hereof, the Corporation does not have a sufficient number of Shares reserved and available for issuance under this Plan, the Corporation will make payment of a cash amount to a Participant for a value equal to the number of RSUs multiplied by the Market Value, subject to any applicable deductions and withholdings, in lieu of issuing Shares.
- (5) Notwithstanding any other provision of this Plan, in the event that a RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation and the Participant has not delivered a RSU Settlement Notice, then such RSU Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed. Notwithstanding the foregoing, in the event that a Participant receives Shares in satisfaction of an Award during a Black-Out Period, the Corporation shall advise such Participant of the same in writing and such Participant shall not be entitled to sell or otherwise dispose of such Shares until such Black-Out Period has expired.

Section 5.7 Determination of Amounts.

- (1) **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 5.6, such calculation will be made on the RSU Settlement Date and shall equal the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the RSU Settlement Notice.
- (2) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 5.6, such calculation will be made on the RSU

Settlement Date and be the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account which the Participant desires to settle pursuant to the RSU Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Shares.

Section 5.8 RSU Grant Agreements.

RSUs shall be evidenced by an RSU Grant Agreement or included in an Employment Agreement or other services agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 4 and Article 6 hereof be included therein. The RSU Grant Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 6 GENERAL CONDITIONS

Section 6.1 General Conditions Applicable to Awards.

- (1) Each Award, as applicable, shall be subject to the following conditions:
 - (a) **Employment** – The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
 - (b) **Rights as a Shareholder** – Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.
 - (c) **Conformity to Plan** – In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.

- (d) **Non-Assignable and Non-Transferable** – All Awards are exercisable only by the Participant to whom they were awarded and will not be assignable or transferable. Awards may be exercised only by:
- (i) the Participant to whom the Awards were granted;
 - (ii) upon the Participant's death, the legal representative of the Participant's estate; or
 - (iii) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant,
- provided that any such legal representative in (ii) or (iii) shall first deliver evidence satisfactory to the Corporation of legal representation and the right to exercise an Award.

Section 6.2 General Conditions Applicable to Awards.

- (1) Each Award shall be subject to the following conditions:
- (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "cause", all unexercised vested and unvested Awards granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's Code of Conduct and any reason determined by the Corporation to be cause for termination.
 - (b) **Retirement.** In the case of a Participant's retirement, any unvested Awards held by the Participant as at the Termination Date will continue to vest in accordance with their vesting schedules, and all vested Awards held by the Participant at the Termination Date may be exercised until the earlier of the expiry date of the Awards or six (6) months following the Termination Date, provided that if the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Awards held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any "in-the-money" amounts realized upon exercise of Awards following the Termination Date.
 - (c) **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Board, all Awards shall expire on the earlier of ninety (90) days after the effective date of such resignation, or the expiry date of the Award, to the extent such Awards were vested and exercisable by the Participant on the effective date of such resignation and all unexercised unvested Awards granted to such Participant shall terminate on the effective date of such resignation.
 - (d) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for "cause", resignation or death), the number

of Awards that may vest is subject to proration over the applicable vesting or performance period and shall expire on the earlier of ninety (90) days after the effective date of the Termination Date, or the expiry date of the Awards. For greater certainty, the proration calculation referred to above shall be net of previously vested Awards.

- (e) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Awards will immediately vest and all Awards will expire one hundred eighty (180) calendar days after the death of such Participant.
- (f) **Change in Control.** If a participant is terminated without “cause” or resigns for good reason during the twelve (12) month period following a Change in Control, or after the Corporation has signed a written agreement to effect a change in control but before the change in control is completed, then any unvested Awards will immediately vest and may be exercised within thirty (30) calendar days of such date. In the case of an Investor Relations Individual, where the Corporation has signed a written agreement to effect a change in control and before the change in control is completed, any unvested Awards may, subject to prior acceptance by the Exchange, vest immediately and be exercised within thirty (30) calendar days of such Exchange approval.

Section 6.3 Unfunded Plan.

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Tax Act or any successor provision thereto.

ARTICLE 7 ADJUSTMENTS AND AMENDMENTS

Section 7.1 Adjustment to Shares Subject to Outstanding Awards.

- (1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if, on the record date thereof, the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such

Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if, on the record date thereof, the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.

- (3) If, at any time after the grant of an Award to any Participant, and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 7.1(1) or Section 7.1(2) hereof or, subject to the provisions of Section 7.1(3) hereof, the Corporation shall consolidate, merge, reorganize or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger, reorganization, amalgamation, plan of arrangement, spin-off, dividend payment or recapitalization, being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive, upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 7.2(3) hereof, as a result of such consolidation, merger, reorganization, amalgamation, plan of arrangement, spin-off, dividend payment or recapitalization, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger reorganization, amalgamation, plan of arrangement, spin-off, dividend payment or recapitalization, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award. Provided that all adjustments made to the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 7.2(3) hereof, as a result of such consolidation, merger, reorganization, amalgamation, plan of arrangement, spin-off, dividend payment or recapitalization, shall be subject to Exchange approval.
- (4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including, for greater certainty, shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is

entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.

Section 7.2 Amendment or Discontinuance of the Plan.

- (1) The Board may amend the Plan or any Award at any time subject to Shareholder approval as a condition to Exchange acceptance of the amendment. For greater certainty, without limitation, amendments to any of the following provisions of this Plan will be subject to Shareholder approval, in particular amendments:
 - (a) to persons eligible to be granted or issued security based compensation under this Plan;
 - (b) to the maximum number or percentage, as the case may be, of Listed Shares that may be issuable upon exercise of Options or conversion of DSUs or RSUs under this Plan;
 - (c) to the limits under this Plan on the amount of Options, DSUs or RSUs that may be granted or issued to any one person or any category of persons (such as, for example, Insiders);
 - (d) to the method for determining the Exercise Price of Stock Options;
 - (e) to the maximum term of any Award granted under this Plan;
 - (f) to the expiry and termination provisions applicable to any Award granted under this Plan, including the addition of a blackout period;
 - (g) to include the addition of a Net Exercise provision; and
 - (h) to any method or formula for calculating prices, values or amounts under this Plan that may result in a benefit to a Participant, including but not limited to the formula for calculating the appreciation of a Stock Appreciation Right.

Provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to amendments of a general "housekeeping" or clerical nature that:

- (i) correct typographical errors; and
- (ii) clarify existing provisions of this Plan, that do not have the effect of altering the scope, nature and intent of such provisions.

- (2) Notwithstanding Section 7.2(1), the Board shall be required to obtain Disinterested Shareholder Approval to make the following amendments:
- (a) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4 and in the event of an adjustment pursuant to Article 7;
 - (b) any amendment which reduces the Exercise Price of any Award, as applicable, after such Awards have been granted or any cancellation of an Award and the substitution of that Award by a new Award with a reduced price, except in the case of an adjustment pursuant to Article 7;
 - (c) any amendment which reduces the Exercise Price or extends the term of any Option held by a Participant who is an Insider of the Corporation at the time of the proposed amendment;
 - (d) any amendment which extends the expiry date of any Award or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black-Out Period;
 - (e) any amendment which would permit a change to the pool of Eligible Participants, including a change which would have the potential of broadening or increasing participation by Insiders;
 - (f) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders and Associates of such Insiders at any time; or (ii) issued to Insiders and Associates of such Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 7; or
 - (g) any amendment to the amendment provisions of the Plan, provided that Shares held directly or indirectly by Insiders benefiting from the amendments in Section 7.2(2)(b) and Section 7.2(2)(d) shall be excluded when obtaining such shareholder approval.
- (3) The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Board.
- (4) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants, provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.
- (5) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV:
- (a) the Corporation shall be required to obtain prior TSXV acceptance of any amendment to this Plan; and

- (b) the Corporation shall be required to obtain Disinterested Shareholder Approval in compliance with the applicable policies of the TSXV for this Plan if the Plan, together with all of the Corporation's previously established and outstanding equity compensation plans or grants, could permit at any time: (1) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the Outstanding Issue; and (2) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Awards exceeding 10% of the issued Shares, calculated at the date an Award is granted to any Insider.

Section 7.3 Change in Control

- (1) Notwithstanding anything else in this Plan or any Grant Agreement, the Board has the right to provide for the conversion or exchange of any outstanding Awards into or for options, rights, units or other securities of substantially equivalent (or greater) value in any entity participating in or resulting from a Change in Control.
- (2) Upon the Corporation entering into an agreement relating to a transaction which, if completed, would result in a Change in Control, or otherwise becoming aware of a pending Change in Control, the Corporation shall give written notice of the proposed Change in Control to the Participants, together with a description of the effect of such Change in Control on outstanding Awards, not less than seven (7) days prior to the closing of the transaction resulting in the Change in Control.
- (3) The Board may, in its sole discretion, change the Performance Criteria or accelerate the vesting and/or the expiry date of any or all outstanding Awards to provide that, notwithstanding the Performance Criteria and/or vesting provisions of such Awards or any Grant Agreement, such designated outstanding Awards shall be fully performed and/or vested and conditionally exercisable upon (or prior to) the completion of the Change in Control, provided that the Board shall not, in any case, authorize the exercise of Awards pursuant to this Section 7.3(3) beyond the expiry date of the Awards. If the Board elects to change the Performance Criteria or accelerate the vesting and/or the expiry date of the Awards, then if any of such Awards are not exercised within seven (7) days after the Participants are given the notice contemplated in Section 7.3(2) (or such later expiry date as the Board may prescribe), such unexercised Awards shall, unless the Board otherwise determines, terminate and expire following the completion of the proposed Change in Control. If, for any reason, the Change in Control does not occur within the contemplated time period, the satisfaction of the Performance Criteria, the acceleration of the vesting and the expiry date of the Awards shall be retracted and vesting shall instead revert to the manner provided in the Grant Agreement.
- (4) To the extent that the Change in Control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the share capital of the Corporation and the Board does not change the Performance Criteria or accelerate the vesting and/or the expiry date of Awards pursuant to Section 7.3(3), the Corporation shall make adequate provisions to ensure that, upon completion of the proposed Change in Control, the number and kind of shares subject to outstanding Awards and/or the Option Price per share of

Options shall be appropriately adjusted (including by substituting the Awards for awards to acquire securities in any successor entity to the Corporation) in such manner as the Board considers equitable to prevent substantial dilution or enlargement of the rights granted to Participants. The Board may make changes to the terms of the Awards or the Plan to the extent necessary or desirable to comply with any rules, regulations or policies of any stock exchange on which any securities of the Corporation may be listed, provided that the value of previously granted Awards and the rights of Participants are not materially adversely affected by any such changes.

- (5) Notwithstanding anything else to the contrary herein, in the event of a potential Change in Control, the Board shall have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards (including, for greater certainty, to cause the vesting of all unvested Awards) to assist the Participants to tender into a take-over bid or other transaction leading to a Change in Control. For greater certainty, in the event of a takeover bid or other transaction leading to a Change in Control, the Board shall have the power, in its sole discretion, to permit Participants to conditionally exercise their Awards, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of such take-over bid (or the effectiveness of such other transaction leading to a Change in Control). If, however, the potential Change in Control referred to in this Section 7.3(5) is not completed within the time specified therein (as the same may be extended), then notwithstanding this Section 7.3(5) or the definition of “Change in Control”: (i) any conditional exercise of vested Awards shall be deemed to be null, void and of no effect, and such conditionally exercised Awards shall for all purposes be deemed not to have been exercised, (ii) Shares which were issued pursuant to the exercise of awards which vested pursuant to this Section 7.3 shall be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares, and (iii) the original terms applicable to Awards which vested pursuant to this Section 7.3 shall be reinstated.

ARTICLE 8 MISCELLANEOUS

Section 8.1 Use of an Administrative Agent and Trustee.

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

Section 8.2 Tax Withholding.

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or

delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 8.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.

- (2) Notwithstanding the first paragraph of this Section 8.2, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

Section 8.3 Reorganization of the Corporation.

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 8.4 Governing Laws.

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

Section 8.5 Severability.

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

Section 8.6 Effective Date of the Plan.

The Plan was approved by the Board and shall take effect on December 12, 2025.

**APPENDIX “A”
FORM OF OPTION GRANT AGREEMENT**

LIBERTY DEFENSE HOLDINGS, LTD.

OPTION GRANT AGREEMENT

This Stock Option Grant Agreement (the “**Option Grant Agreement**”) is entered into between Liberty Defense Holdings, Ltd. (the “**Corporation**”), and the optionee named below (the “**Optionee**”) pursuant to and on the terms and subject to the conditions of the Corporation’s omnibus long-term incentive plan (the “**Plan**”). Capitalized terms used and not otherwise defined in this Option Grant Agreement shall have the meanings set forth in the Plan.

The terms of the option (the “**Option**”), in addition to those terms set forth in the Plan, are as follows:

1. **Optionee.** The Optionee is ● and the address of the Optionee is currently •.
2. **Number of Shares.** The Optionee may purchase up to • Shares of the Corporation (the “**Option Shares**”) pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in section 6 of this Option Grant Agreement.
3. **Option Price.** The exercise price is Cdn \$ ● per Option Share (the “**Option Price**”).
4. **Date Option Granted.** The Option was granted on •.
5. **Term of Option.** The Option terminates on ● (the “**Expiry Date**”).
6. **Vesting.** The Option to purchase Option Shares shall vest and become exercisable as follows: ●.
7. **Exercise of Options.** In order to exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule A, whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.
8. **Transfer of Option.** The Option is not transferable or assignable except in accordance with the Plan.
9. **Inconsistency.** This Option Grant Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Grant Agreement and the Plan, the terms of the Plan shall govern.
10. **Severability.** Wherever possible, each provision of this Option Grant Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Option Grant Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this

Option Grant Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

11. **Entire Agreement.** This Option Grant Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
12. **Successors and Assigns.** This Option Grant Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.
13. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
14. **Governing Law.** This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
15. **Counterparts.** This Option Grant Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

[Remainder of this page left intentionally blank; Signature page follows]

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Grant Agreement.

IN WITNESS WHEREOF the parties hereof have executed this Option Grant Agreement

as of the _____ day of _____, 20__.

LIBERTY DEFENSE HOLDINGS, LTD.

By: _____

Name:

Title:

**SCHEDULE A
ELECTION TO EXERCISE STOCK OPTIONS**

TO: **LIBERTY DEFENSE HOLDINGS, LTD. (the “Corporation”)**

DATE: _____, _____

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to an Option Grant Agreement dated , 20__ under the Corporation’s omnibus long-term incentive plan (the “**Plan**”), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired: _____

Option Price (per Share): \$ _____

Aggregate Purchase Price: \$ _____

Amount enclosed that is payable on
account of any source deductions relating
to this Option exercise (contact the
Corporation for details of such amount): \$ _____

☐ Or check here if alternative arrangements have been made with the Corporation;

The undersigned hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source deductions, and directs such Shares to be registered in the name of

[Remainder of this page left intentionally blank; Signature page follows]

IN WITNESS WHEREOF the parties hereof have executed this Option Grant Agreement
as of the _____ day of _____, 20__.

[Insert Optionee's Name]

**APPENDIX “B”
FORM OF DSU GRANT AGREEMENT**

LIBERTY DEFENSE HOLDINGS, LTD.

DEFERRED SHARE UNIT GRANT AGREEMENT

Name: [name of DSU Participant]

Award Date: [insert date]

Liberty Defense Holdings, Ltd. (the “**Corporation**”) has adopted the omnibus long term incentive plan (the “**Plan**”). Your award is governed in all respects by the terms of the Plan, and the provisions of the Plan are hereby incorporated by reference. For greater certainty, the provisions set out in Article 4 and Article 6 of the Plan applicable to DSUs shall be deemed to form part of this DSU Grant Agreement mutatis mutandis. Capitalized terms used and not otherwise defined in this DSU Grant Agreement shall have the meanings set forth in the Plan. If there is a conflict between the terms of this DSU Grant Agreement and the Plan, the terms of the Plan shall govern.

Your Award The Corporation hereby grants to you ● DSUs.

On behalf of the Corporation:

LIBERTY DEFENSE HOLDINGS, LTD.

Name:

Title:

**APPENDIX “C”
FORM OF RSU GRANT AGREEMENT**

LIBERTY DEFENSE HOLDINGS, LTD.

RESTRICTED SHARE UNIT GRANT AGREEMENT

This restricted share unit agreement (“**RSU Grant Agreement**”) is entered into between Liberty Defense Holdings, Ltd. (the “**Corporation**”) and the Participant named below (the “**Recipient**”) of the restricted share units (“**RSUs**”) pursuant to the Corporation’s omnibus long-term incentive plan (the “**Plan**”). Capitalized terms used and not otherwise defined in this RSU Grant Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is ^ and the address of the Recipient is currently ^.
2. **Grant of RSUs.** The Recipient is hereby granted ^ RSUs.
3. **Settlement.** The RSUs shall be settled as follows:

(Select one of the following three options):

- (a) ☐ One Share issued from treasury per RSU.
- (b) ☐ Cash Equivalent of one Share per RSU.
- (c) ☐ Either (a), (b), or a combination thereof, at the election of the Recipient.

Restriction Period. In accordance with Section 5.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on ^ and terminate on ●.

4. **Performance Criteria.** ●.

5. **Performance Period.** ●.

6. **Vesting.** The RSUs will vest as follows:

●

7. **Transfer of RSUs.** The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.

8. **Inconsistency.** This RSU Grant Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Grant Agreement and the Plan, the terms of the Plan shall govern.

9. **Severability.** Wherever possible, each provision of this RSU Grant Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Grant Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Grant Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
10. **Entire Agreement.** This RSU Grant Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
11. **Successors and Assigns.** This RSU Grant Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
13. **Governing Law.** This RSU Grant Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
14. **Counterparts.** This RSU Grant Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

[Remainder of page left intentionally blank; Signature page follows]

By signing this RSU Grant Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Grant Agreement.

IN WITNESS WHEREOF the parties hereof have executed this RSU Grant Agreement as of the _____ day of _____, 20__.

LIBERTY DEFENSE HOLDINGS, LTD.

By: _____
Name:
Title: