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**Notice of Meeting**  
And  
**Information Circular**  
For  
**Annual General Meeting of Shareholders**

To be held on

**Thursday, June 4, 2020**

at

**Suite 1710, 650 West Georgia Street  
Vancouver, British Columbia V6B 4N9**

## NorZinc Ltd.

Suite 1710, 650 West Georgia Street  
Vancouver, British Columbia V6B 4N9

### NOTICE OF MEETING AND NOTICE THAT PROXY MATERIALS AVAILABLE ONLINE

TO: The Shareholders of NorZinc Ltd.

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the "**Meeting**") of the shareholders of NorZinc Ltd. (the "**Company**") will be held at 1710 – 650 West, Georgia Street, Vancouver, British Columbia V6B 4N9 on **Thursday, June 4, 2020, at the hour of 10:00 a.m.**, Vancouver time, for the following purposes:

1. To receive the financial statements of the Company together with the auditor's report thereon for the financial year ended December 31, 2019;
2. To fix the number of directors of the Company at seven;
3. To elect directors of the Company for the ensuing year;
4. To appoint the auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors; and
5. To approve an increase in the number of shares reserved for issue under the Company's stock option plan by 3,800,000 shares, as described in the accompanying information circular;
6. To consider, and if thought fit, to pass an ordinary resolution approving all unallocated restricted share units under the Company's restricted share unit plan, as described in the accompanying information circular;
7. To consider, and if thought fit, to pass an ordinary resolution approving all unallocated deferred share units under the Company's deferred share unit plan, as described in the accompanying information circular; and
8. To transact such further or other business as may properly come before the Meeting and any adjournments thereof.

Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

The information circular with respect to the Meeting is available online, as further described below. It provides additional information about the matters to be dealt with at the Meeting and is deemed to form part of this notice. Disclosure regarding the election of directors may be found in the section of the information circular entitled "Election of Directors", disclosure regarding the appointment of auditors may be found in the section of the information circular entitled "Appointment of Auditors".

**The information circular has been prepared to help you make an informed decision on each of the matters to be voted on at the Meeting. Please review the information circular carefully before voting.**

The Company has elected to use the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice and Access Provisions**") for the Meeting. The Notice and Access Provisions allow the Company to post proxy-related materials both on SEDAR and a non-SEDAR website, rather than delivering the materials by mail. Shareholders will still receive this Notice of Meeting and a form of proxy (or voting instruction form, if applicable) and may choose to receive a paper copy of the information circular. The Company will not use procedures known as "stratification" in connection with the Meeting. Stratification occurs when a reporting issuer using notice-and-access provides a paper copy of the

relevant information circular to some, but not all, shareholders with the notice package in relation to the relevant meeting.

The Meeting materials, including the information circular, are available on the Company's website at <https://norzinc.com/corporate/annual-general-meeting/> and will remain on the website for at least one full year from the date of this Notice of Meeting. The Meeting materials are also available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Any shareholder who wishes to receive a printed paper copy of the information circular may request a copy from the Company by calling (866) 688-2001 or request by e-mail at IR@norzinc.com. If a shareholder requests a printed copy of the information circular prior to the date of the Meeting, the Company will send a printed paper copy of the information circular to the requesting shareholder at no cost to them within three business days of the request. If a shareholder requests a printed paper copy of the information circular after the date of the Meeting, the Company will send printed paper copies of the information circular to requesting shareholders at no cost to them within ten calendar days of their request. A shareholder may also contact the Company at the contact number or address above to request and receive a copy of the Company's financial statements and MD&A.

In order to allow for reasonable time to be allotted for a shareholder to receive and review a paper copy of the information circular prior to the proxy deadline, any shareholder wishing to request a paper copy of the information circular as described above, should ensure such request is received by May 15, 2020.

To obtain additional information about the Notice and Access Provisions, a shareholder may contact the Company by calling the following toll-free number: (866) 688-2001.

Due to constantly evolving circumstances surrounding the coronavirus pandemic, shareholders are encouraged to complete proxies where possible or appropriate before considering attending the Meeting in person. If the Company decides to make any change, such as to the date or location, or to hold the Meeting solely by remote communication, the Company will announce the change in advance and post details, including instructions on how shareholders can participate, on SEDAR. At this time, the Company does not plan to provide a fully virtual or remote meeting due to cost, administrative and technical requirements. However, to listen to the Meeting, you can dial in by telephone conference call, although dialing in shall not constitute attendance and does not entitle you to vote. The conference call in numbers are as follows:

Conference Dial-In (Toll Free): **1-888-289-4573**

Conference ID: **2787853**

Only shareholders at the close of business on April 23, 2020 are entitled to receive notice of and vote at the Meeting. If you are a registered shareholder, you will have received this Notice of Meeting and a form of proxy. Registered shareholders who are unable to attend the Meeting are requested to read the notes included in the form of proxy enclosed and then to complete, date, sign and mail the enclosed form of proxy, or to complete the proxy by telephone or the internet, in accordance with the instructions set out in the proxy. Completed proxies must be received by 10:00 a.m. (Vancouver Time) on June 2, 2020, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

If you are a non-registered (beneficial) shareholder, you will have received this Notice of Meeting and a voting instruction form. Non-registered shareholders are requested to read the instructions included in the voting instruction form enclosed and then to complete the voting instruction form in accordance with the instructions, and by the deadline, set out therein.

DATED this 23<sup>rd</sup> day of April, 2020

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Robert J. MacDonald”*

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Robert J. MacDonald, President and CEO

# NorZinc Ltd.

Suite 1710, 650 West Georgia Street  
Vancouver, British Columbia V6B 4N9

## INFORMATION CIRCULAR

(As at April 23, 2020, except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of NorZinc Ltd. (the “**Company**”) for use at the annual general meeting of the holders of common shares of the Company to be held on Thursday, June 4, 2020 and at any adjournments thereof (the “**Meeting**”). The solicitation will be conducted by mail and may be supplemented by telephone, electronic or other personal contact to be made without special compensation by directors, officers and employees of the Company. The cost of solicitation will be borne by the Company.

### NOTICE-AND-ACCESS

The Company has elected to use the notice and access provisions (“**Notice and Access Provisions**”) for the Meeting pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) with respect to the mailing to its non-registered (beneficial) shareholders. The Notice and Access Provisions allow the Company to post proxy-related materials both on SEDAR and a non-SEDAR website, rather than delivering the materials by mail. Shareholders will receive a Notice of Meeting and a form of proxy or voting instruction form and may choose to receive a printed paper copy of the Information Circular.

The Company is not using procedures known as ‘stratification’ in relation to the Notice and Access Provisions. Stratification occurs when a reporting issuer using the Notice and Access Provisions provides a paper copy of the Information Circular to some, but not all, shareholders with the Notice of Meeting.

### APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of the Company (the “**Management Proxyholders**”).

**A shareholder has the right to appoint a person other than a Management Proxyholder to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

### VOTING BY PROXY

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy in the accompanying form will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If no choice is specified and one of the Management Proxyholders is appointed by a shareholder as proxyholder, such person will vote in favour of the matters specified in the Notice of Meeting for this Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this

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

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Company as the registered holders of common shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the common shares they own are not registered in their names but are instead registered in the name of a nominee such as a brokerage firm, bank or trust company through which they purchased the common shares.** More particularly, a person is not a registered shareholder in respect of common shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements of NI 54-101, the Company has distributed copies of the Notice of Meeting, the proxy and other materials (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Non-Registered Holders may be either "objecting beneficial owners" ("**OBOs**") or "non-objecting beneficial owners" ("**NOBOs**"), as such terms are defined in NI 54-101. The Company is not mailing directly to NOBOs and has forwarded the Meeting Materials to the Intermediaries to do so. The Company intends to pay for Intermediaries to deliver the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to the OBOs.

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

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

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

## REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.**

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

Except as set out herein, to the knowledge of the management of the Company, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management for election as a director of the Company, and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value, of which as at the record date for the Meeting, April 23, 2020, a total of 389,799,917 common shares were issued and outstanding. The holders of common shares are entitled to one vote for each common share held. Holders of common shares of record at the close of business on the record date for the Meeting will be entitled to receive notice of and vote at the Meeting. The Company has only one class of shares.

Other than as set out below, to the knowledge of the directors and executive officers of the Company, as at the record date for the Meeting, no person or entity beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to the common shares of the Company:

<u>Name of Owner</u>	<u>Number of Common Shares</u>	<u>Percentage</u>
RCF VI CAD LLC	157,026,728	40.3%

\* Based on filings made on the System for Electronic Disclosures by Insiders ([www.sedi.ca](http://www.sedi.ca)) website as of the Record Date.

## MAJORITY VOTING POLICY DISCLOSURE

As required by the policies of the Toronto Stock Exchange (the "TSX"), the Board of Directors of the Company adopted a majority voting policy (the "**Majority Voting Policy**"). In accordance with the requirements of the TSX, the Majority Voting Policy provides as follows:

- In an election of directors, other than at a Contested Meeting (as defined below), any director who receives a greater number of shares withheld, than shares voted in favour of his or her election, must immediately tender his or her resignation ("**Resignation**") to the Board of Directors.

- The Board shall determine whether or not to accept the Resignation within 90 days after the date of the relevant meeting.
- The Board shall accept the Resignation absent exceptional circumstances.
- The Resignation will be effective when accepted by the Board.
- The director tendering the Resignation will not participate in any Board or committee meeting at which the Resignation is considered.
- The Company shall promptly issue a news release with the Board's decision regarding the Resignation and send a copy to the TSX.
- If the Resignation is not accepted, the news release shall fully state the reasons for that decision.

For the purposes of the Majority Voting Policy, a "**Contested Meeting**" is a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board.

## ELECTION OF DIRECTORS

Each director of the Company holds office until the next annual general meeting of shareholders or until his successor is elected or appointed.

At the Meeting, shareholders will be asked to fix the number of directors of the Company at seven.

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

The table on the following page provides the names of the directors proposed by management and information concerning them, as furnished by the individual proposed directors.

In the absence of any instructions to the contrary, the Management Proxyholders intend to vote for the election of the proposed directors. Management does not contemplate that any of the proposed directors will be unable to serve as a director. The Board of Directors has an Audit Committee, a Compensation Committee and a Health & Safety Committee. Members of these committees are as set out below. The Company does not have an Executive Committee of its Board.

Name, Jurisdiction of Residence and Position Held with the Company <sup>(1)</sup>	Principal Occupation During Preceding Five Years	Date First Became Director of the Company
Shelley Brown <sup>(3),(6),(8)</sup> Saskatchewan, Canada Director	Director of Stantec Inc. and former Director of Deloitte LLP and Senior Auditor Partner, Deloitte LLP (Vancouver office) from 2001 to 2018	June 2019
Robert J. (Don) MacDonald <sup>(4)</sup> British Columbia, Canada President, CEO and Director	President of the Company since May 16, 2018 and Chief Executive Officer ("CEO") and Director since June 27, 2018. Prior thereto, Acting President and CEO from 2016 to 2017, and Chief Financial Officer ("CFO") from 2010 to 2017 of KGHM International Ltd. (formerly QuadraFNX Mining Ltd.); and previously, CFO of NovaGold Resources Inc. from 2003 to 2010.	June 2018
Anita Perry <sup>(4),(7)</sup> Alberta, Canada Director	Former VP of Communications and External Affairs at BP Canada from 2005 to May 2019.	November 2018
Ian R. Ward <sup>(9),(5)</sup> Ontario, Canada Director	Professional Engineer (Ontario), Metallurgical Consultant. Senior Advisor and VP Metallurgy and Processing, Kinross Gold Corporation from 2010 to 2015; prior thereto Senior VP, Project Development, Mustang Minerals Corp.; and previously President and Principal Metallurgist, Micon International Limited.	June 2016

Name, Jurisdiction of Residence and Position Held with the Company <sup>(1)</sup>	Principal Occupation During Preceding Five Years	Date First Became Director of the Company
John M. Warwick <sup>(5),(6),(9)</sup> Ontario, Canada Director	Financial Consultant (CFA); special advisor to Paradigm Capital Inc. and Director, Sherritt International Corporation since 2017. Prior to 2015, Managing Director, Investment Banking, founding partner and Head of Corporate Finance, Paradigm Capital Corporation.	June 2016
Gary A. Sugar <sup>(3),(6)</sup> Toronto, Ontario Director	Director of Seabridge Gold Inc. since 2016. Managing Director, RBC Capital Markets until 2011.	November 2019
Stephen Flewelling <sup>(4),(5)</sup> Toronto, Ontario Director	Chief Development Officer at Noront Resources since 2015. Senior VP, Projects and Exploration at Glencore/Xstrata Nickel from 2006 to 2015.	November 2019

- (1) The information as to jurisdiction of residence, principal occupation and common shares beneficially owned or, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective proposed directors individually.
- (2) Stantec Inc. is a reporting issuer in Canada, which trades on the Toronto Stock Exchange and the New York Stock Exchange. Shelley Brown is not a director of any other reporting issuers.
- (3) Member of the Audit Committee.
- (4) Member of the Health & Safety Committee.
- (5) Member of the Compensation Committee.
- (6) Member of the Nominating Committee.
- (7) Health & Safety Committee Chair
- (8) Audit Committee Chair
- (9) Nominating Committee and Compensation Committee Chair

The following table sets forth the shareholdings, to the best of Management's knowledge, owned beneficially, directly or indirectly, by the Company's directors and officers as of April 23, 2020. There were 389,799,917 common shares issued and outstanding as of April 23, 2020.

Name	Common Shares beneficially owned, controlled or directed, directly or indirectly	Percentage of Outstanding Common Shares (%)	Stock Options, DSUs, and RSUs owned, controlled or directed, directly or indirectly
Robert J. (Don) MacDonald	10,300,000	2.6%	9,740,566
Shelley Brown	957,230	0.2%	376,371
Anita Perry	-	-	731,644
Ian Ward	168,846	< 0.1%	1,145,070
John Warwick	869,230	0.2%	1,239,388
Gary A. Sugar	153,846	< 0.1%	228,740
Stephen Flewelling	-	-	228,740
Peter Portka	923,076	0.2%	1,807,749
Total	13,372,228	3.4%	15,498,268

Other than Anita Perry and Stephen Flewelling, none of the proposed directors for election at the Meeting were nominated by a shareholder of the Company. Anita Perry, who was appointed to the Board in November 2018, and Stephen Flewelling, who was appointed to the Board in November 2019, were nominated by RCF VI CAD pursuant to its rights under the Amended and Restated Investor Agreement dated July 10, 2018.

Except as described below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, CEO or CFO of any company (including the Company) that:
- (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### ***Objectives of Executive Compensation***

##### *Compensation Committee and Compensation Philosophy*

The Board has appointed a Compensation Committee which has responsibility for recommending compensation for the directors and senior management. In 2019, the Compensation Committee consisted of John Warwick, Ian Ward and Dave Nickerson (all considered independent directors). Upon the retirement of Mr. Nickerson in November 2019, Stephen Flewelling was appointed to the Compensation Committee. The Compensation Committee's responsibilities and composition are described below under the heading "Corporate Governance Disclosure – Compensation Committee."

The general compensation philosophy of the Company for executive officers, including for the CEO, is to provide a level of compensation that is competitive within the North American marketplace and that will attract and retain individuals with the experience and qualifications necessary for the Company to be successful, and to provide short-term and longer-term incentive compensation, such as the award of incentive bonuses and restricted share units and grant of stock options, which aligns the interest of executives with those of shareholders and encourages senior management to have a direct and identifiable impact on the performance of the Company and to develop and implement a long-range strategy.

The Company is primarily engaged in the exploration and development of its Prairie Creek Mine (the "**Mine**") located in the Northwest Territories, Canada. The Company is considered to be in the exploration and development stage, given that the Mine is not in production and, to date, has not earned any significant revenues and does not generate revenues from operations. Accordingly, the Company is reliant upon funding from capital raising activities. Therefore, the use of traditional performance standards, such as corporate profitability, is not considered to be appropriate in the evaluation of corporate or executive performance. In addition, the Compensation Committee and the Board of Directors have to consider the financial situation of the Company in a wider context and involving the ongoing status of the Mine, when setting its executive compensation levels.

##### *Historical Compensation Approach*

Historically, the compensation of executive officers of the Company has been comprised primarily of cash compensation and the allocation of incentive stock options and restricted share units. In establishing levels of remuneration and in granting stock options and restricted share units, the Compensation Committee, having taken into consideration the financial position of the Company, reviews the executive's performance, level of expertise, responsibilities and length of service to the Company, as well as comparable levels of remuneration paid to

executives of other companies of comparable size and development within the industry. When determining an element of compensation to be paid to a particular NEO, the Compensation Committee takes into account the amount of each other element of compensation that has been paid to that NEO.

Historically, the Compensation Committee relied on the general knowledge and experience of its members, and recommendations from senior management, in reviewing appropriate levels of compensation for executive officers and the implementation of, or amendment to, any other aspects of compensation that the Compensation Committee may review from time to time. All Compensation Committee members have relevant general, but not direct, experience in executive compensation and compensation policies and practices in the junior mineral resources business gained through current and prior experience in business, the minerals industry and government. In addition, the Compensation Committee reviewed compensation levels within the industry primarily through the use of third-party industry compensation surveys. These reports typically included information for mining companies and assist the Compensation Committee in determining approximately the salary levels and other benefits in place across the industry.

In August 2018, the Committee hired Willis Towers Watson (“**WTW**”), a global compensation consultant, to compare the Company’s current levels of compensation with a large basket of organizations or a “Peer Group” in the same industry and of similar size and stage of development. Over the period August to September 2018, WTW developed the Peer Group for compensation benchmarking and to review the Company’s compensation practices relative to such Peer Group. The Peer Group was developed based on companies at a comparable stage of development and of relevant size (approximately half to double) to the Company based on market capitalization. Based on these criteria, the 12 companies that were included in the comparator Peer group were: Alexco Resource Corp.; Almaden Minerals Ltd; Aquila Resources Inc.; Foran Mining Corporation; Fortune Minerals Limited; Midas Gold Corp.; Nevada Copper Corp.; Noront Resources Ltd.; Polymet Mining Corp.; Titan Mining Corporation; Trilogy Metals Inc.; Victoria Gold Corp; and an additional 7 companies included in an “aspirational” group were: Ascendant Resources Inc.; Capstone Mining Corp.; Copper Mountain Mining Corporation; Imperial Metals Corporation; North American Palladium Ltd.; Sabina Gold & Silver Corp.; Taseko Mines Limited.

Using this information from the WTW report, the Compensation Committee conducted a review of the Company’s compensation for Named Executive Officers (“**NEO**” defined below under the heading “Summary Compensation Table”) with benchmarking relative to the identified Peer Group, and recommended compensation adjustments for executive officers.

The Committee also recommended instituting a formal method of evaluating performance involving the use of key performance indicators (KPIs) for executive officers. Goals and objectives for the Company were previously typically set through discussions at Board meetings, and senior management would then work to achieve these goals and objectives. Follow-up on progress would typically take place at subsequent Board meetings. This formal method using KPIs was implemented for evaluating the performance of the CEO and for all NEOs and senior officers.

*Executive Compensation-Related Fees*

The fees paid to WTW in the financial year 2018 are provided in the table below.

Independent Advisor Fees .....	\$61,000
All Other Fees .....	Nil
Total Fees Paid .....	\$61,000

Given the extensive work done in 2018, no independent compensation consultants were engaged in 2019 and no further fees were incurred.

***Elements of Executive Compensation***

There are three basic elements of NorZinc’s executive compensation program: base salary, short-term incentive (STI) awards and long-term incentive (LTI) awards.

Base Salary

The Company has traditionally provided executive officers with base salaries which represent their minimum compensation for services rendered during the fiscal year. Salary levels are based upon the executive's experience, responsibilities and performance. Other elements of the Company's compensation program are also considered when setting salary levels.

Base salaries are reviewed annually by the Compensation Committee to ensure executives are compensated in line with market and current role responsibilities.

Short-Term Incentive (STI) Awards

The Company has a formal annual short-term incentive bonus plan, which was formalized following the WTW compensation review in late 2018 and is based on the achievement of corporate and/or individual performance objectives. As part of this, the Compensation Committee instituted a formal method of evaluating the performance of the CEO involving the use of key performance indicators (KPIs).

Any award of a bonus to executive officers remains entirely at the discretion of the Board of Directors, based upon recommendations by the Compensation Committee. In considering the payment of any bonus to executive officers, the Compensation Committee takes into account the individual performance and efforts of the executive during the year, the progress made by the Company in furthering its business plan and the overall economic climate.

Annual STI award targets by position level are outlined in the following table:

	<b>President &amp; CEO</b>	<b>COO</b>	<b>CFO</b>	<b>VP, Project Development</b>	<b>VP, Exploration</b>
Target STI (% of Base Salary)	45%	30%	25%	25%	15%
Award Range (% of Base Salary)	0 – 150%	0 – 150%	0 – 150%	0 – 150%	0 – 150%

These targets are subject to annual review taking into consideration the performance of the business, as well as any changes to the Company's compensation policies. The amount of the any short-term incentive awards payable shall be at the sole discretion of the Board of Directors.

In 2019, the Compensation Committee set the following KPIs for the CEO, agreed for the period from January 1 to December 31, 2019:

<b>Weighting</b>	
<b>Corporate (60%)</b>	
Financial	10%
Permitting	12.5%
Indigenous Groups	12.5%
Prairie Creek Mine	15%
Begin funding construction	10%
<b>CEO-Specific (40%)</b>	
Human Resources	15%
Marketing	10%

Raise capital	10%
Newfoundland assets	5%

Evaluation of the performance of the CEO in the period yielded an overall achievement of 100%, based on the following achievements:

- Received final all season road (ASR) permits for the Mine
- Negotiated the RCF VI CAD LLC \$8.0 million sale of a 1% royalty on Prairie Creek Mine
- Reported \$7.7 million gain on sale of royalty in Q4 2019
- Appointed Scotia Capital as streaming finance advisors
- Signed Traditional Lands Use Agreement for ASR
- Restructured the Company's management team, including appointment of a new VP, Project Development and new CFO

Based on this performance rating, the Compensation Committee awarded a cash bonus to the CEO of 45% of his base salary. The CEO agreed to defer payment of this award until such time as the Company has received an additional \$3 million of non-flow through equity financing.

Given the ongoing development of the Company, the KPIs for the CEO and other NEOs for 2020 and subsequent periods may differ from those set for 2019.

#### Long-Term Incentive (LTI) Awards

The Company awards long-term incentive (LTI) awards in the form of Restricted Share Units (RSUs) and stock options. The goal of the Company's long-term incentive award plans is to align executive compensation with the interests of our shareholders by providing an incentive to achieve superior long-term performance. In addition, the Company's LTI programs act as a critical retention tool and support the development of a culture of ownership and accountability.

In 2019, the Company adjusted the practice to issue LTI in a forward-looking capacity, rather than in arrears for the previous year's performance, as had been past practice.

Currently, the Company does not directly link executive compensation to total cumulative shareholder return, as the Company is not in active operations. Instead, the goals of the Company at this point in time are more qualitative and geared towards successfully progressing the development of the Mine. The Compensation Committee does, however, consider the financial position of the Company and the general economic situation when assessing compensation.

#### *Restricted Share Units*

In 2014, the Company adopted a Restricted Share Unit Plan (the "**RSU Plan**") for the benefit of the Company's employees, directors and consultants. The RSU Plan is intended to assist the Company in the recruitment and retention of highly qualified employees, directors and eligible consultants by providing a means to reward performance, to motivate participants under the RSU Plan to achieve important corporate and personal objectives and, through the proposed issuance by the Company of Common Shares under the RSU Plan, to better align the interests of participants with the long-term interests of Shareholders.

The Board uses Restricted Share Units ("**RSUs**") issued under the RSU Plan as part of the Company's overall executive compensation plan. Since the value of RSUs increase or decrease with the price of the Common Shares, RSUs reflect a philosophy of aligning the interests of executives with those of the Shareholders by tying executive compensation to share price performance. In addition, RSUs assist in the retention of qualified and experienced executives by rewarding those individuals who make a long-term commitment.

The RSU Plan is administered by the Compensation Committee. Each RSU awarded conditionally entitles the participant to receive one Common Share (or the cash equivalent) upon attainment of the RSU vesting criteria. The maximum number of Common Shares which may be reserved, set aside and made available for issuance

under the RSU Plan is a variable number equal to 3% of the issued and outstanding Common Shares of the Company as of the date of the grant on a non-diluted basis.

For 2019, the Company granted a total of 2,609,000 RSUs to three executive officers, namely, the CEO, CFO and the COO. The RSUs granted vested immediately, subject to a payout date of 12 months, and an expiry date of 5 years.

#### *Stock Options*

The grant of stock options ("**Options**") to purchase common shares of the Company, pursuant to the Company's stock option plan, as amended on June 27, 2018 (the "**Stock Option Plan**"), is an integral component of executive officer compensation packages. The Stock Option Plan is administered by the Board of Directors, with option grants being recommended by the Compensation Committee to the Board. The Stock Option Plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance. Previous stock option grants are considered when reviewing executive officer compensation packages as a whole.

In 2018 a total 4,360,000 stock options were granted to officers and directors of the Company. No stock options were exercised by officers or directors in 2018.

In 2019 a total of 5,650,000 stock options were granted to officers and directors of the Company. No stock options were exercised by officers or directors in 2019.

#### Other Perquisites

The Company's health benefit plan is available to all full-time employees. The benefit plan is designed to protect the health of all employees and their dependents, and to provide coverage in the event of disability or death.

In 2019, the Company introduced a voluntary Registered Retirement Savings Plan ("**RRSP**") program, whereby the Company matches employee RRSP contributions up to a maximum of 4% of base salary.

Perquisites and personal benefits provided to executive officers reflect competitive practices and particular business needs. They are not considered a material component of the executive compensation program.

#### Other Matters

The Compensation Committee is responsible for considering the risks associated with the Company's compensation policies and practices and has not identified any specific risks associated with the Company's compensation policies and practices that are reasonably likely to have a material adverse effect.

Because of the current scale and scope of the Company's operations, and the limited number of senior management and employees, and the oversight by the Board of all significant activities, including risk management, the Compensation Committee does not believe that the Company's compensation policies and practices would encourage any executive officer to take inappropriate or excessive risk.

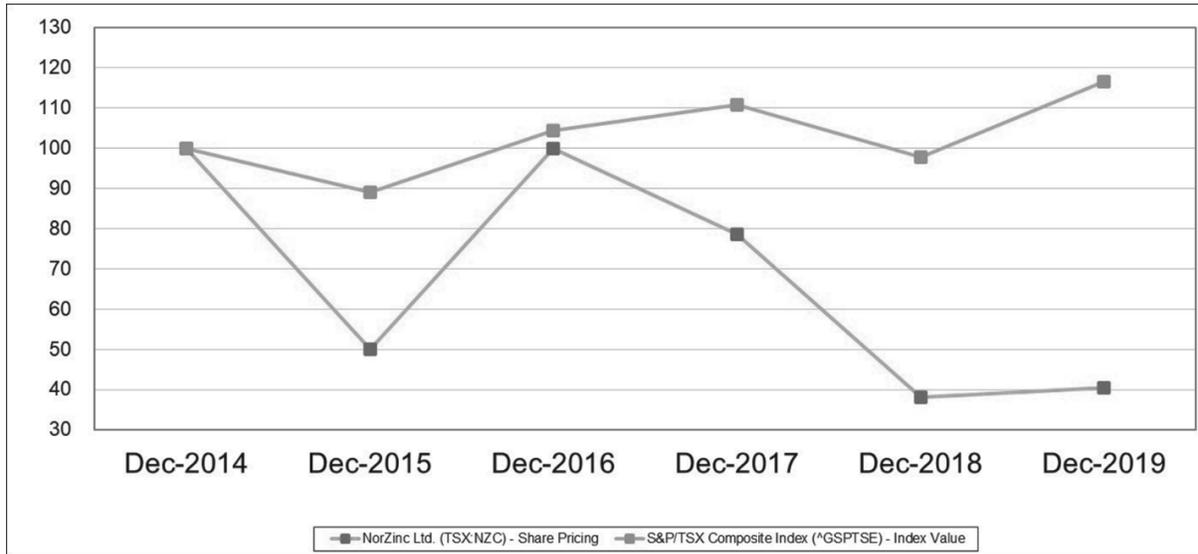
The Company has not prohibited its executive officers or directors from purchasing financial instruments that are designed to hedge or off-set a decrease in market value of any securities of the Company granted as compensation or held, directly or indirectly, by an executive officer or director.

#### **Performance Graph**

The following graph compares the yearly percentage change in the cumulative total shareholder return over the last five financial years of the common shares of the Company, assuming a \$100 investment in the common

shares of the Company on December 31, 2014, with the S&P/TSX Composite Index during such period, assuming dividend reinvestment.

**CUMULATIVE VALUE OF A \$100 INVESTMENT AS OF DECEMBER 31**



	2014	2015	2016	2017	2018	2019
<b>NZC</b>	\$ 100	\$ 50	\$ 100	\$ 79	\$ 38	\$ 40
<b>S&amp;P TSX</b>	\$ 100	\$ 89	\$ 104	\$ 111	\$ 98	\$ 117

**SUMMARY COMPENSATION TABLE**

The following table sets out all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial year ended on December 31, 2019, in respect of each of the individuals comprised of each CEO and the CFO (who acted in such capacity for all or any portion of the most recently completed financial year), and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the CEO and the CFO), as at December 31, 2019 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively, the "Named Executive Officers" or "NEOs").

Name And Principal Position	Year	Salary (\$)	Share-based awards <sup>(1)</sup> (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation <sup>(3)</sup> (\$)	Total Compensation (\$)
					Annual incentive plans <sup>(2)</sup>	Long-term incentive plans			
Robert J. (Don) MacDonald President, CEO and Director <sup>(4)</sup>	2019	369,000	117,520	83,495	166,050 <sup>(4)</sup>	Nil	Nil	Nil	736,065
	2018	225,000	Nil	156,000 <sup>(4)</sup>	68,055	Nil	Nil	Nil	449,055
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alan B. Taylor COO, Vice President, Exploration <sup>(5)</sup>	2019	146,490	46,400	41,748	Nil	Nil	Nil	375,000 <sup>(5)</sup>	609,638
	2018	222,500	75,000	Nil	73,500	Nil	Nil	Nil	371,000
	2017	200,000	Nil	Nil	50,000	Nil	Nil	Nil	250,000
Scott Fulton VP, Project Development <sup>(6)</sup>	2019	186,667	55,000	19,000	57,867	Nil	Nil	Nil	318,534
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Portka CFO <sup>(7)</sup>	2019	19,167	Nil	Nil	4,792	Nil	Nil	Nil	23,959
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trevor L. Cunningham CFO, VP, Finance <sup>(8)</sup>	2019	235,750	44,800	37,573	58,938	Nil	Nil	Nil	377,061
	2018	217,600	60,000	Nil	57,500	Nil	Nil	Nil	335,100
	2017	197,600	Nil	Nil	Nil	Nil	Nil	Nil	197,600
Michael Vande Guchte VP Exploration (Newfoundland)	2019	184,500	Nil	6,262	Nil	Nil	Nil	Nil	190,762
	2018	177,500	60,000	Nil	15,000	Nil	Nil	Nil	252,500
	2017	175,000	Nil	Nil	Nil	Nil	Nil	Nil	175,000

- (1) The value of share-based and option-based awards represents the grant date fair value of the RSUs or stock options awarded. The share-based awards granted are subject to an immediate to 18-month vesting period; a payout date of 2 to 3 years; an expiry date of 5 years; and are assigned a fair value based on the share price at time of issuance. The following are the Black-Scholes Assumptions for the respective years: 2019 – risk-free interest rate of 1.43% to 1.77%, an expected life of options of 2.6 to 3.5 years, an expected volatility of 68% to 86%, no expected dividends and a forfeiture rate of zero to 1%; 2018 – risk-free interest rate of 2.16%, an expected life of options of 2.6 to 3.5 years, an expected volatility of 87% to 91%, no expected dividends and a forfeiture rate of 0%; 2017 – risk-free interest rate of 0.54%, an expected life of options of 2.6 to 3.5 years, an expected volatility of 92% to 97%, no expected dividends and a forfeiture rate of 0%.
- (2) The amounts earned as non-equity incentive pay compensation were paid during the subsequent financial year.
- (3) Perquisites have not been included, as they do not exceed 10% of total salary for the financial years presented.
- (4) On May 16, 2018, Robert (Don) MacDonald was appointed as President of the Company and on June 27, 2018 also appointed CEO and a director but was not compensated for services in his director capacity. On hiring Mr. MacDonald was granted options to purchase 2,500,000 shares of the Company at \$0.20 per share. Regarding his 2019 annual short-term incentive award of \$166,050, Mr. MacDonald agreed to defer the payment until such time as the Company has received an additional \$3 million of non-flow through equity financing.
- (5) Alan B. Taylor retired from the Company effective July 31, 2019 and received a Retirement Allowance of \$275,000 plus a payment of \$100,000 for his outstanding vacation accrual.
- (6) Scott Fulton was hired as Project Manager on May 6, 2019. He was appointed to the position of Vice President, Project Development on August 15, 2019. On hiring, Mr. Fulton was granted options to purchase 500,000 shares of the Company at \$0.10 per share as well as 500,000 restricted share units.
- (7) Peter Portka was appointed CFO effective December 2, 2019.
- (8) Trevor Cunningham stepped down as CFO effective December 2, 2019 and his employment with the Company ended effective December 31, 2019. Mr. Cunningham's termination payment was made in 2020.

## INCENTIVE PLAN AWARDS

The following table shows all awards outstanding to each Named Executive Officer as at December 31, 2019.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)</sup> (\$)
Robert J. (Don) MacDonald	2,500,000 2,000,000	0.20 0.10	May 16, 2023 Jan 31, 2024	Nil Nil	Nil	Nil	124,865
Scott Fulton <sup>(3)</sup>	500,000	0.10	May 4, 2024	Nil	500,000	42,500	Nil
Peter Portka <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Vande Guchte	400,000 150,000	0.35 0.10	Aug 10, 2021 Jan 31, 2024	Nil Nil	Nil	Nil	34,000
Trevor L. Cunningham <sup>(5)</sup>	750,000 900,000	0.35 0.10	Aug 10, 2021 Jan 31, 2024	Nil Nil	Nil	Nil	81,600

- (1) Calculated based on the difference between the market value of the shares underlying the option-based awards at the end of the most recently completed financial year, which was \$0.085, and the exercise or base price of the option-based award.
- (2) Calculated based on the market value of the shares underlying the restricted share units at the end of the most recently completed financial year which was \$0.085.
- (3) Scott Fulton was hired as Project Manager on May 6, 2019. He was appointed to the position of Vice President, Project Development on August 15, 2019.
- (4) Peter Portka was appointed CFO effective December 2, 2019.
- (5) Trevor Cunningham stepped down as CFO effective December 2, 2019 and his employment with the Company ended effective December 31, 2019.

### Incentive plan awards – value vested or earned during the year ended December 31, 2019

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year <sup>(2)</sup> (\$)
Robert J. (Don) MacDonald	Nil	124,865	166,050 <sup>(3)</sup>
Scott Fulton <sup>(4)</sup>	Nil	Nil	57,867
Peter Portka <sup>(5)</sup>	Nil	Nil	4,792
Michael Vande Guchte	Nil	34,000	Nil
Trevor L. Cunningham <sup>(6)</sup>	Nil	81,600	58,938

- (1) The value of vested options or share-based awards represents the aggregate dollar value that would have been realized if any of the options granted had been exercised on the vesting dates. The dollar value of vested options is the difference between the market price of the underlying securities at exercise and the exercise price of the options on the vesting date.
- (2) The amounts earned as non-equity incentive pay compensation were paid during the subsequent financial year.
- (3) Mr. MacDonald agreed to defer the payment of his 2019 annual short-term incentive award (\$166,050) until such time as the Company has received an additional \$3 million of non-flow through equity financing.
- (4) Scott Fulton was hired as Project Manager on May 6, 2019. He was appointed to the position of Vice President, Project Development on August 15, 2019.
- (5) Peter Portka was appointed CFO effective December 2, 2019.
- (6) Trevor Cunningham stepped down as CFO effective December 2, 2019 and his employment with the Company ended effective December 31, 2019.

### Stock Option Plan

Under the Stock Option Plan, options to purchase common shares of the Company may be granted to employees, officers and directors of the Company or subsidiaries of the Company and other persons or companies engaged to provide ongoing management or consulting services for the Company or any entity controlled by the Company. In determining the number of common shares of the Company subject to each option granted under the plan, consideration is given to the present and potential contribution by such person or company to the success of the Company and the appropriate number and percentage of options that should be awarded and held by each party granted options relative to the total number of shares issued and stock options granted.

At December 31, 2019, there were 12,800,000 stock options outstanding, representing approximately 3.3% of the Company's issued and outstanding common shares as of December 31, 2019. At the Annual General and Special Meeting held on June 27, 2018, shareholders approved the amendment of the Stock Option Plan to increase the number of Common Shares reserved for issuance under the Stock Option Plan by 10,800,000 common shares to 18,300,000 common shares.

The purpose of the Company's equity compensation plans is to attract and motivate directors, officers and employees of and service providers to the Company (collectively, the "**Optionees**") and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the stock options.

The Stock Option Plan authorizes the Board of Directors (or compensation committee) to grant Options to the Optionees on the following terms:

- Options may be granted to directors, officers and employees of the Company as well as persons or corporations engaged to provide services to the Company (or any entity controlled by the Company) and any individuals employed by such persons or corporations.
- The maximum number of Common Shares that may be reserved for issue under the Stock Option Plan is 18,300,000 Common Shares.
- The total number of Common Shares issuable to all insiders of the Company at any time, under all security based compensation arrangements of the Company, cannot exceed 10% of the Company's issued and outstanding Common Shares.
- The number of Common Shares issued to insiders of the Company as a group, within any one year period, under all security based compensation arrangements of the Company, cannot exceed 10% of the Company's issued and outstanding Common Shares as at the end of such one year period.
- The exercise price for Options granted under the Stock Option Plan must be not less than the closing market price on the day preceding the date of grant of the Options.
- Vesting of Options will be at the discretion of the Board of Directors, or any committee authorized by the Board of Directors to administer the Stock Option Plan.
- The maximum term of Options granted under the Stock Option Plan will be ten years from the date of grant, subject to extension in the event of a management imposed black-out period.
- Any outstanding Options with an expiry date occurring during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is ten trading days following the end of the black-out period.
- If an Optionee ceases to be eligible to receive Options under the Stock Option Plan as a result of termination for cause, any outstanding Options held by such Optionee on the date of such termination shall be cancelled as of that date.
- If an Optionee ceases to be eligible to receive Options under the Stock Option Plan for reasons other than termination for cause (or death), any outstanding Options held by such Optionee at such time shall remain exercisable for a period ending on the earlier of the expiry time of such Option or three months after the Optionee ceases to be eligible to receive Options. Notwithstanding the foregoing, the Board of Directors may, on a case by case basis, allow such Options to remain in full force and effect until any time up to the original expiry time of such Options, irrespective of whether such expiry time is more than three months after the Optionee ceases to be eligible to receive Options.
- Any outstanding Options held by an Optionee at the time of his or her death shall remain exercisable by the person or persons to whom the rights of the Optionee's Options are passed by the will of the Optionee or the laws of descent and distribution for a period ending on the earlier of the expiry date of such Options or one year after the Optionee's death.
- The Board of Directors may from time to time, without shareholder approval and subject to applicable law and to the prior approval, if required, of TSX or any other regulatory body having authority over the Company or the Stock Option Plan, suspend, terminate or discontinue the Stock Option Plan at any time, or amend or revise the terms of the Stock Option Plan or of any Option granted under the Stock Option Plan to:
  - (a) make amendments of a clerical or typographical nature and to include clarifying provisions in the Stock Option Plan;
  - (b) implement features or requirements that are necessary or desirable under applicable tax and securities laws;

- (c) change vesting provisions;
- (d) change termination provisions for an insider provided that the expiry time does not extend beyond the original expiry time under the Stock Option Plan;
- (e) change termination provisions for an Optionee who is not an insider beyond the original expiry time;
- (f) reduce the exercise price of an Option for an Optionee who is not an insider; and
- (g) implement a cashless exercise feature, payable in cash or securities;

provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Stock Option Plan without the consent of that Optionee. Any other amendments to the Stock Option Plan or Options granted there under will be subject to the approval of the shareholders.

- The Stock Option Plan does not contain any provisions relating to the provision of financial assistance by the Company to Optionees to facilitate the purchase of Common Shares upon the exercise of Options.
- Options granted under the Stock Option Plan are not assignable, but may be exercised by the personal representative of a deceased Optionee.
- The Stock Option Plan requires adjustments to the numbers of Common Shares which may be acquired and the exercise price of Options in the event the Company proceeds with certain changes or transactions in which the Company's share capital is altered, some form of corporate reorganization or special distribution is completed, a merger, amalgamation, spinout transaction, plan of arrangement, takeover bid, compulsory acquisition or going private transaction is completed. In such case the provisions typically entitle the Optionee to acquire, at the same aggregate price, the shares, cash, securities or other property to which the Optionee would have been entitled had the Optionee held the shares issuable under the Option before such transaction, with certain exceptions.

## **Restricted Share Unit Plan**

### ***Administration of Plan and Eligible Participants***

The RSU Plan is administered by the Compensation Committee of the Board or such other Committee of the Board as may be designated by the Board (the "**Committee**"). Employees, directors and eligible consultants of the Company and its designated subsidiaries are eligible to participate in the RSU Plan. In accordance with the terms of the RSU Plan, the Company, under the authority of the Board of Directors through the Committee, will approve those employees, directors and eligible consultants who are entitled to receive RSUs and the number of RSUs to be awarded to each participant. RSUs awarded to participants are credited to them by means of an entry in a notional account in their favour on the books of the Company. Each RSU awarded conditionally entitles the participant to receive one Common Share (or the cash equivalent) upon attainment of the RSU vesting criteria. The Committee may impose additional conditions to any particular RSU award.

### ***RSUs Outstanding***

During the year ended December 31, 2019, the Company issued 3,189,000 (2018 – 2,300,000) RSUs to senior officers and employees and redeemed 2,900,000 (2018 – 3,650,000) RSUs. The RSUs granted in 2019 are subject to immediate vesting; a payout date of 12 months from grant; an expiry date of 5 years; and are assigned a fair value based on the share price at time of issuance. At December 31, 2019, there were 4,489,000 RSUs outstanding, equal to 1.15% of the Company's issued and outstanding Common Shares on April 23, 2020 (December 31, 2018 – 4,200,000 and 1.08%). The Company may grant an additional 7,204,997 RSUs, equal to 1.85% of the Company's issued and outstanding Common Shares on April 23, 2020.

### ***Maximum Number of Common Shares Available for Issue Under the RSU Plan***

The maximum number of Common Shares which may be reserved, set aside and made available for issuance under the RSU Plan is a variable number equal to 3% of the issued and outstanding Common Shares of the Company as of the date of the grant on a non-diluted basis. The RSU Plan provides that the maximum number of Common Shares issuable to insiders pursuant to the RSU Plan, together with any Common Shares issuable pursuant to any other security-based compensation arrangement of the Company, will not exceed 10% of the total number of outstanding Common Shares. In addition, the maximum number of Common Shares issued to insiders under the RSU Plan, together with any Common Shares issued to insiders pursuant to any other security-based

compensation arrangement of the Company within any one year period, will not exceed 10% of the total number of outstanding Common Shares (the “**RSU Insider Limit**”).

### ***Vesting***

The vesting of RSUs is conditional upon the expiry of a time-based vesting period. The duration of the vesting period and other vesting terms applicable to the grant of the RSUs shall be determined at the time of the grant by the Committee.

Once the RSUs vest, the participant is entitled to receive the equivalent number of underlying Common Shares or cash equal to the Market Value of the equivalent number of Common Shares. The vested RSUs may be settled through the issuance of Common Shares from treasury by the delivery of Common Shares purchased in the open market, in cash or in any combination of the foregoing at the discretion of the Company. If settled in cash, the amount shall be equal to the number of Common Shares in respect of which the participant is entitled multiplied by the Market Value of a Common Share on the payout date. “**Market Value**” per share is defined in the RSU Plan and means, as at any date (if the Common Shares are listed and posted for trading on the TSX), the volume-weighted average price of the Common Shares traded on the TSX for the five (5) trading days on which a board lot was traded immediately preceding such date. The RSUs may be settled on the payout date, which shall be the third anniversary of the date of the grant or such other date as the Compensation Committee may determine at the time of the grant, which in any event shall be no later than the expiry date for such RSUs. The expiry date of RSUs will be determined by the Committee at the time of grant. However, the maximum term for all RSUs is two years after the participant ceases to be an employee or eligible consultant of the Company. All unvested or expired RSUs are available for future grants.

### ***Cessation of Entitlement***

Unless otherwise determined by the Company in accordance with the RSU Plan, RSUs which have not vested on a participant’s termination date shall terminate and be forfeited. If a participant who is an employee ceases to be an employee as a result of termination of employment without cause, in such case, at the Company’s discretion (unless otherwise provided in the applicable Grant Agreement), all or a portion of such participant’s RSUs may be permitted to continue to vest, in accordance with their terms, during any statutory or common law severance period or any period of reasonable notice required by law or as otherwise may be determined by the Company in its sole discretion. All forfeited RSUs are available for future grants.

### ***Transferability of RSUs***

RSUs are not assignable or transferable other than by operation of law, except, if and on such terms as the Company may permit, to a spouse or minor children or grandchildren or a personal holding company or family trust controlled by a participant, the sole shareholders or beneficiaries of which, as the case may be, are any combination of the participant, the participant’s spouse, minor children or minor grandchildren, and after the participant’s lifetime shall enure to the benefit of and be binding upon the participant’s designated beneficiary, on such terms and conditions as are appropriate for such transfers to be included in the class of transferees who may rely on a Form S-8 registration statement under the U.S. Securities Act of 1933, as amended, to sell Common Shares received pursuant to the RSU.

### ***Amendments to the RSU Plan***

The Board may, without notice, at any time and from time to time, without shareholder or RSU Plan participant approval, amend certain provisions of the RSU Plan in such manner as the Board, in its sole discretion, determines appropriate including:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the RSU Plan;
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the RSU Plan;
- (c) to change the vesting provisions of RSUs;
- (d) to change the termination provisions of RSUs or the RSU Plan that does not entail an

extension beyond the original expiry date of the RSU;

- (e) to preserve the intended tax treatment of the benefits provided by the RSU Plan, as contemplated therein; or
- (f) any amendments necessary or advisable because of any change in applicable laws;

provided, however, that:

- (g) no such amendment of the RSU Plan may be made without the consent of each affected participant if such amendment would adversely affect the rights of such affected participant(s) under the RSU Plan; and
- (h) Shareholder approval shall be obtained in accordance with the requirements of the TSX for any amendment that results in:
  - (i) an increase in the percentage of the outstanding Common Shares issuable pursuant to the RSU Plan ;
  - (ii) an extension of the expiry date for RSUs granted to insiders under the RSU Plan;
  - (iii) other types of compensation through Common Share issuance;
  - (iv) expansion of the rights of a participant to assign RSUs beyond what is currently permitted in the RSU Plan;
  - (v) the addition of new categories of participants, other than as already contemplated in the RSU Plan;
  - (vi) a change in the issue price of Common Shares issuable pursuant to the RSU Plan benefitting an insider;
  - (vii) a change to the amendment provisions of the RSU Plan; or
  - (viii) an amendment to remove or exceed the RSU Insider Limit.

## **Deferred Share Unit Plan**

### ***Administration of Plan and Eligible Participants***

The Deferred Share Unit Plan (the “**DSU Plan**”) is used for the benefit of the Company’s non-executive directors. The Board may award Deferred Share Units (“**DSUs**”) under the DSU Plan to a non-executive director (each a “**Participant**”) in such number as the Board deems advisable to provide the director with appropriate equity-based compensation for the services he or she renders to the Company.

A DSU is a unit credited to a Participant by way of a bookkeeping entry in the books of the Company, the value of which is equivalent to a Common Share. All DSUs paid with respect to such awards will be credited to the director by means of an entry in a notional account in their favour on the books of the Company (a “**DSU Account**”). The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to the director’s DSU Account. The Company and a director who receives such an award of DSUs shall enter into a DSU award agreement to evidence the award and the terms applicable thereto.

Additionally, the DSU Plan provides that non-executive directors may elect to receive up to 50% of their annual compensation amount (the “**Annual Base Compensation**”) in DSUs. All DSUs paid with respect to Annual Base Compensation will be credited to the director’s DSU Account when such Annual Base Compensation is payable. The director’s DSU Account will be credited with the number of DSUs calculated to the nearest thousandth of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the payment date by the Share Price of a Common Share at the time. Share Price is defined in the DSU Plan and means (if the Common Shares are listed and posted for trading on the TSX) the volume-weighted average price of a Common Share on the TSX over the five (5) consecutive trading days immediately preceding the date of grant or the redemption date,

as the case may be. Fractional Common Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

Generally, a participant in the DSU Plan shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the date upon which the non-executive director ceases to hold any position as a director of the Company and its subsidiaries and is no longer otherwise employed by the Company or its subsidiaries, including in the event of death of the participant (the "**Termination Date**") and ending on the 90th day following the Termination Date. Redemptions under the DSU Plan may be in Common Shares issued from treasury, may be purchased by the Company on the open market for delivery to the director, or may be settled in cash or any combination of the foregoing at the discretion of the Company. The Committee may impose additional conditions to any particular DSU award.

### ***DSUs Outstanding***

During the year ended December 31, 2019, the Company issued 1,321,535 (2018 – 1,912,803) DSUs to directors. As at December 31, 2019, a total of 3,701,203 DSUs remain outstanding, equal to 0.95% of the Company's issued and outstanding Common Shares on April 23, 2020. The Company may grant an additional 4,094,795 DSUs, equal to 1.05% of the Company's issued and outstanding Common Shares on April 23, 2020. The DSUs are fully vested upon issuance; subject to the plan are paid out upon retirement and are assigned a fair value based on the five day volume weighted average share price upon issuance.

Subsequent to December 31, 2019, the Company redeemed 1,538,483 DSUs held by retired directors. The DSU's were issued net of tax and the Company remitted all applicable withholdings to the respective tax regulators.

### ***Maximum Number of Common Shares Available for Issue Under the DSU Plan***

DSUs may be granted in accordance with the DSU Plan, provided the aggregate number of DSUs outstanding pursuant to the DSU Plan from time to time does not exceed 2% of the issued and outstanding Common Shares from time to time. The DSU Plan provides that the maximum number of Common Shares issuable to insiders pursuant to the DSU Plan, together with any Common Shares issuable pursuant to any other security-based compensation arrangement of the Company, will not exceed 10% of the total number of outstanding Common Shares. In addition, the maximum number of Common Shares issued to insiders under the DSU Plan, together with any Common Shares issued to insiders pursuant to any other security-based compensation arrangement of the Company within any one year period, will not exceed 10% of the total number of outstanding Common Shares (the "**DSU Insider Limit**").

### ***Transferability of DSUs***

No right to receive payment of deferred compensation or retirement awards shall be transferable or assignable by any participant under the DSU Plan except by will or laws of descent and distribution.

### ***Amendments to the DSU Plan***

The Board may at any time, and from time to time, and without shareholder or DSU Plan participant approval, amend certain provisions of the DSU Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the DSU Plan including amendments of a "clerical" or "housekeeping" nature;
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the DSU Plan;
- (c) amendments to the termination provisions of the DSU Plan;
- (d) amendments necessary or advisable because of any change in applicable laws;
- (e) amendments to the transferability of DSUs;
- (f) amendments relating to the administration of the DSU Plan; or

- (g) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws;

provided, however, that:

- (h) no such amendment of the DSU Plan may be made without the consent of each affected participant in the DSU Plan if such amendment would adversely affect the rights of such affected participant(s) under the DSU Plan; and
- (i) shareholder approval shall be obtained in accordance with the requirements of the TSX for any amendment:
- (i) to increase the maximum number of Common Shares which may be issued under the DSU Plan;
  - (ii) to the amendment provisions of the DSU Plan;
  - (iii) to the definition of "Participant";
  - (iv) to remove or exceed the DSU Insider Limit; or
  - (v) to change the issue price of Common Shares issuable pursuant to the DSU Plan benefitting an insider.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets out certain details as at December 31, 2019 with respect to compensation plans pursuant to which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup>	Weighted-average exercise price of outstanding options, warrants and rights <sup>(2)</sup>	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Stock Option Plan	12,800,000	\$0.20	5,500,000
Deferred Share Unit Plan	3,701,203	n/a	3,749,648
Restricted Share Unit Plan	500,000	n/a	5,983,637
Total	17,001,203	n/a	15,233,285

(1) Represents the number of common shares reserved for issuance upon exercise of outstanding options, RSUs and DSUs.

(2) Since RSUs and DSUs do not have an exercise price, they have not been factored into the weighted average price calculation.

## PENSION PLAN BENEFITS

The Company does not provide any form of group pension plan benefits to employees, officers or directors. As previously noted, the Company introduced a voluntary RRSP program in 2019, whereby the Company matches employee RRSP contributions up to a maximum of 4% of base salary.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

Except as otherwise disclosed herein, the Company has no compensatory plan or arrangement in respect of compensation received, or that may be received, by a Named Executive Officer in the Company's most recently completed or current financial year to compensate such NEO in the event of the termination of employment (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in responsibilities of the NEO following a change in control.

The Company entered into an Employment Agreement dated May 4, 2018 with Mr. Robert J. (Don) MacDonald, CEO, for his continuing services as an officer of the Company (the "**MacDonald Agreement**"). Certain provisions in the MacDonald Agreement deal with events around termination of employment or resignation following a change of control of the Company, which is defined as the acquisition by any entity, directly or indirectly, of not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities that are sufficient, if exercised, to elect a majority of the Board of Directors (a "**Change of Control**"). Should Mr. MacDonald's employment with the Company be terminated without cause, Mr. MacDonald is entitled to receive an amount equal to 75% of his then current annual salary upon termination during the first full year of employment, or 100% of his then current salary during the second full year of employment, or 200% of his then current salary subsequent to the second full year of employment. In the event of a Change of Control and subsequent termination by the Company without cause, or resignation of Mr. MacDonald, within 3 months of the Change of Control, Mr. MacDonald is entitled to receive an amount equal to 200% of his then current annual salary.

A summary of the potential payments to Mr. MacDonald, assuming the applicable resignation or termination had occurred on December 31, 2019, is: termination without cause - \$369,000; termination without cause or resignation following a change of control - \$738,000.

The Company entered into an Employment Agreement dated December 2, 2019 with Mr. Peter Portka, CFO, for his continuing services as an officer of the Company (the "**Portka Agreement**"). Certain provisions in the Portka Agreement deal with events around termination of employment or resignation following a change of control of the Company, which is defined as the acquisition by any entity, directly or indirectly, of not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities that are sufficient, if exercised, to elect a majority of the Board of Directors (a "**Change of Control**"). Should Mr. Portka's employment with the Company be terminated without cause, Mr. Portka is entitled to receive an amount equal to 75% of his then current annual salary upon termination during the first full year of employment, or 100% of his then current salary during the second full year of employment. In the event of a Change of Control and subsequent termination by the Company without cause of Mr. Portka, within 3 months of the Change of Control, Mr. Portka is entitled to receive an amount equal to 150% of his then current annual salary.

A summary of the potential payments to Mr. Portka, assuming the applicable resignation or termination had occurred on December 31, 2019, is: termination without cause - \$172,500; termination without cause following a change of control - \$345,000.

The Company entered into an Employment Agreement dated effective January 1, 2010 with Mr. Alan Taylor, Chief Operating Officer, for his continuing services as an officer of the Company (the "**Taylor Agreement**"). Mr. Taylor retired from his position effective July 31, 2019 and received the following:

- A lump sum retiring allowance payment (\$275,000)
- An amount equivalent to all accrued and unused vacation (\$100,000)

The Company entered into an Employment Agreement effective January 17, 2011 with Mr. Trevor Cunningham, CFO, for his services as an officer of the Company. Mr. Cunningham stepped down from his position as CFO effective December 2, 2019 and his employment terminated on December 31, 2019. As part of his termination, Mr. Cunningham received the following under the termination without cause provision of his Employment Agreement:

- A lump sum payment equivalent to 12 months' pay in lieu of notice (\$235,750)
- An amount equivalent to his 2019 short-term incentive award (\$58,938)
- An additional bonus amount for supporting an orderly transition with the new CFO (\$58,938)
- An amount equivalent to the Company matching portion (4%) of his 2020 RRSP contribution (\$9,430)
- Share settlement for all vested RSUs
- An amount equivalent to all accrued and unused vacation (\$18,356)

## DIRECTOR COMPENSATION

The following table shows director compensation for each director, other than directors that are also Named Executive Officers, for the year ended December 31, 2019.

Name	Fees earned (\$)	Share-based awards <sup>(1)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Anita Perry	36,415	22,311	Nil	Nil	N/A	Nil	58,726
Ian Ward	35,000	22,311	Nil	Nil	N/A	Nil	57,311
John Warwick	47,712	25,806	Nil	Nil	N/A	Nil	73,518
Gary A. Sugar <sup>(3)</sup>	4,090	3,505	Nil	Nil	N/A	Nil	7,595
Stephen Flewelling <sup>(4)</sup>	4,090	3,505	Nil	Nil	N/A	Nil	7,595
Shelley Brown <sup>(5)</sup>	22,637	17,060	Nil	Nil	N/A	Nil	39,697
John F. Kearney <sup>(6)</sup>	19,316	6,400	Nil	Nil	N/A	Nil	25,716
Dave Nickerson <sup>(7)</sup>	31,995	14,811	Nil	Nil	N/A	Nil	46,806
Malcolm J.A. Swallow <sup>(8)</sup>	30,910	14,811	Nil	Nil	N/A	Nil	45,721

(1) Upon issuance, the DSUs are fully vested and are assigned a fair value based on the five-day volume weighted average share price. Subject to the terms and conditions of the DSU Plan, DSUs are paid out upon retirement.

(2) The value of option-based awards represents the grant date fair value of the stock options awarded.

(3) Gary A. Sugar was appointed as a Director effective November 18, 2019.

(4) Stephen Flewelling was appointed as a Director effective November 18, 2019.

(5) Shelley Brown was appointed as a Director effective June 6, 2019.

(6) John Kearney resigned as Chairman and a Director effective June 6, 2019.

(7) Dave Nickerson resigned as a Director effective November 18, 2019.

(8) Malcolm J.A. Swallow resigned as a Director effective November 18, 2019.

In the fourth quarter of 2018, the Compensation Committee conducted a review of the Company's compensation for directors. The Committee, with the assistance of information provided by WTW, compared the then current level of compensation for directors with that paid by other comparable companies in the mining industry. Using this information, the Compensation Committee recommended that the compensation of Directors be increased to a total annual value of \$50,000, payable in a combination of cash, DSUs and stock options.

Effective January 1, 2019, with the approval of the Board of Directors, the annual cash compensation of Directors was increased to an annual fee of \$35,000. It was also agreed to award annual retainers to directors that chaired a meeting such that the Chairman of the Board would receive an additional annual retainer of \$7,000, the chairs of the Audit and Compensation Committees would receive an additional annual retainer of \$5,000 and all other committee chairs would receive an additional annual retainer of \$2,500. All annual cash compensation is paid quarterly.

**Outstanding share-based awards, option-based awards and non-equity incentive plan compensation**

The following table shows all option-based and share-based awards outstanding to each director, other than those that are also Named Executive Officers, as at December 31, 2019.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(1)</sup> (\$)
Anita Perry	300,000	0.10	December 5, 2023	Nil	Nil	Nil	36,052
Ian Ward	200,000 300,000	0.35 0.10	August 10, 2021 December 5, 2023	Nil	Nil	Nil	59,893
John Warwick	200,000 300,000	0.35 0.10	August 10, 2021 December 5, 2023	Nil	Nil	Nil	67,760
Gary A. Sugar <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	3,505
Stephen Flewelling <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	3,505
Shelley Brown <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	16,054
Dave Nickerson <sup>(5)</sup>	200,000 300,000	0.35 0.10	August 10, 2021 December 5, 2023	Nil	Nil	Nil	73,286
Malcolm J.A. Swallow <sup>(6)</sup>	200,000 300,000	0.35 0.10	August 10, 2021 December 5, 2023	Nil	Nil	Nil	56,975

(1) Calculated based on the market value of the shares underlying the share-based awards at the end of the most recently completed financial year which was \$0.085.

(2) Gary A. Sugar was appointed as a Director effective November 18, 2019.

(3) Stephen Flewelling was appointed as a Director effective November 18, 2019.

(4) Shelley Brown was appointed as a Director effective June 6, 2019.

(5) Dave Nickerson resigned as a Director effective November 18, 2019.

(6) Malcolm J.A. Swallow resigned as a Director effective November 18, 2019.

**Incentive plan awards – value vested or earned during the year**

The following table shows all incentive plan awards values vested or earned for each director, other than those that are Named Executive Officers, during the year ended December 31, 2019.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Anita Perry	Nil	22,311	Nil
Ian Ward	Nil	22,311	Nil
John Warwick	Nil	25,806	Nil
Gary A. Sugar <sup>(3)</sup>	Nil	3,505	Nil
Stephen Flewelling <sup>(4)</sup>	Nil	3,505	Nil
Shelley Brown <sup>(5)</sup>	Nil	17,060	Nil
John F. Kearney <sup>(6)</sup>	Nil	6,400	Nil
Dave Nickerson <sup>(7)</sup>	Nil	14,811	Nil
Malcolm J.A. Swallow <sup>(8)</sup>	Nil	14,811	Nil

- (1) The value of vested options represents the aggregate dollar value that would have been realized if any of the options granted had been exercised on the vesting dates. The dollar value is the difference between the market price of the underlying securities at exercise and the exercise price of the options on the vesting date.
- (2) The value of vested share-based awards represents the aggregate dollar value that would have been realized if the share-based awards granted had been exercised on the vesting dates.
- (3) Gary A. Sugar was appointed as a Director effective November 18, 2019.
- (4) Stephen Flewelling was appointed as a Director effective November 18, 2019.
- (5) Shelley Brown was appointed as a Director effective June 6, 2019.
- (6) John Kearney resigned as Chairman and a Director effective June 6, 2019.
- (7) Dave Nickerson resigned as a Director effective November 18, 2019.
- (8) Malcolm J.A. Swallow resigned as a Director effective November 18, 2019.

Other than the DSU Plan, the Company has no plans pursuant to which cash or non-cash compensation was paid or distributed to directors during the most recently completed financial year or is proposed to be paid or distributed in a subsequent year.

In 2014, the Company adopted a Deferred Share Unit Plan for the benefit of the Company’s, directors. The DSU Plan is intended to assist the Company in the recruitment and retention of qualified, directors by providing a means to compensate directors and through the proposed issuance by the Company of Common Shares under the DSU Plan, to better align the interests of directors with the long-term interests of Shareholders.

Directors are eligible to participate in the Stock Option Plan and the DSU Plan. During the financial year ended December 31, 2019, the Company issued 1,421,611 DSUs to its Participants.

**Directors’ and Officers’ Liability Insurance**

Section 21 of the Articles of the Company provides for mandatory indemnification of directors and former directors against all costs, charges and expenses in respect of any proceeding to which they are made a party by reason of being a director or officer of the Company, subject any limitations contained in the Articles and in the Business Corporations Act (British Columbia). The Company maintains insurance for the benefit of the Company’s directors and officers against liability incurred by them in their capacity as directors and officers. No claims have been made to date.

**INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS**

As at April 23, 2020, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement

or understanding provided by the Company or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries,

in relation to a securities purchase program or other program.

## **INTEREST OF INFORMED PERSON IN MATERIAL TRANSACTIONS**

No informed person or proposed director of the Company, or any associate or affiliate of any informed person or proposed director, has had a material interest, direct or indirect, in any transaction of the Company since the commencement of the Company's last fiscal year or in any proposed transaction which has materially affected or would materially affect the Company.

## **MANAGEMENT CONTRACTS**

Except as disclosed under the heading "*Disclosure of Corporate Governance Practices – Other Committees*", no management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company.

## **DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

The following discloses the Company's corporate governance practices as required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

### **Independence of Members of Board**

At the end of 2019, the Board of Directors consisted of seven directors. Five of the directors, Shelley Brown, Anita Perry, Gary A. Sugar, Ian Ward and Stephen Flewelling, were considered independent of management and of any significant shareholder and are considered competent to exercise independent judgment in carrying out their responsibilities as directors. None of these directors has any direct or indirect material relationship with the Company or its subsidiaries nor any relationship pursuant to which he may accept, directly or indirectly, any consulting, advisory or other compensatory fees, other than as remuneration for acting in his capacity as a member of the Board of Directors or a committee of the Board. The Company has not entered into service contracts with the independent directors nor does it provide for benefits upon termination or retirement.

Robert J. (Don) MacDonald, is not considered independent in that he was appointed President and CEO of the Company on September 6, 2018.

The Chairman of each of the Audit Committee and the Compensation Committee is an independent director, who provides leadership to those committees, and the Chairman of the Board sits on the Compensation Committee. The following Board members are Chairs of the respective committees

- John Warwick – Nominating and Compensation Committee
- Shelley Brown – Audit Committee
- Anita Perry – Health and Safety Committee

On July 10, 2018, the Company entered into an amended and restated investor agreement with RCF VI CAD (the “Investor Agreement”) which contains various rights granted to RCF VI CAD, including among other things : (a) for so long as the percentage of the common shares of the Company held by RCF VI CAD is at least 10%, require the Company to maintain the size of the Board at seven directors unless otherwise agreed to by RCF VI CAD; (b)(i) for so long as the percentage of the common shares of the Company held by RCF VI CAD is at least 10% provide RCF VI CAD with the right to nominate one director to the Board, (ii) at any time the percentage of the common shares of the Company held by RCF VI CAD is at least 20%, provide RCF VI CAD with the right to nominate up to two directors to the Board, and (iii) from time to time, provide RCF VI CAD with the right to nominate additional directors to the Board in proportion to the percentage of the common shares of the Company held by RCF VI CAD; (c) for so long as the percentage of the common shares of the Company held by RCF VI CAD is at least 10%, the Company has certain monthly reporting obligations to RCF VI CAD and RCF VI CAD has quarterly Prairie Creek Mine visitation and inspection, and budget review and consultation rights; (d) require the Company to maintain a technical committee and an environmental and social committee, including at least one RCF VI CAD appointee; and (e) for so long as the percentage of the common shares of the Company held by RCF VI CAD is at least 10%, provide RCF VI LLC with certain Board and committee observer rights, including the right to receive all information, materials and documentation provided to the Board and right from time to time, at its sole discretion, to nominate one or more observers to sit in on the general Board meetings and on any meetings of the technical, social, financial and other committees established by the Board and to receive all information and documentation provided to the other members of such committees.

Under the Investor Agreement with RCF VI CAD, the Company is required to maintain both a compensation committee and a nomination committee, each consisting of up to five members, comprising Directors and, if requested by RCF VI CAD, at least one of the Directors nominated as a director by RCF VI CAD, and each subject to a committee charter that is acceptable to the Company and RCF VI CAD.

### **Management Supervision by the Board**

The Company Officers report upon the operations of the Company directly to the Board on a regular basis. The Company does not have an appointed lead director. The independent directors are able to meet at any time they consider necessary without any members of management, including non-independent directors, being present. The Audit Committee is composed of independent directors who meet with the Company’s auditors, and without management in attendance, if considered necessary or desirable. The independent directors have regular and full access to management. Although the independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance, the independent directors are able to meet at any time without the non-independent directors being present if considered necessary or desirable. The independent directors hold in camera discussions at every quarterly Audit Committee meeting to facilitate open and candid discussion amongst themselves.

### **Participation of Directors in Other Reporting Issuers**

The participation of the Directors in other reporting issuers is described in the following table

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>
Gary A. Sugar	Seabridge Gold Inc.
John Warwick	Sherritt International Corporation
Ian Ward	Candente Gold Corporation
Shelley Brown	Stantec Inc.

### **Participation of Directors in Board Meetings**

In the year ended December 31, 2019, eleven Board meetings were held. In addition, there were four meetings of the Audit Committee, three of the Compensation Committee and one of the Health & Safety Committee. The attendance record of each director for the Board and applicable committee meetings held is as follows:

Name of Director	Board Meetings Attended	Committee Meetings Attended
Robert J. (Don) MacDonald	11 of 11	1 of 1
Anita Perry <sup>1)</sup>	10 of 11	1 of 1
Ian Ward	10 of 11	4 of 4
John Warwick <sup>1)</sup>	11 of 11	4 of 7
Gary A. Sugar <sup>2)</sup>	n/a	n/a
Stephen Flewelling <sup>3)</sup>	n/a	n/a
Shelley Brown <sup>4)</sup>	5 of 11	3 of 4
John F. Kearney <sup>5)</sup>	6 of 11	n/a
Dave Nickerson <sup>6)</sup>	11 of 11	6 of 7
Malcolm J.A. Swallow <sup>7)</sup>	10 of 11	4 of 4

1. John Warwick was a member of the Audit Committee for Q1 2019 and attended the Q1 meeting; subsequent to this, he stepped down from the Committee and accordingly, did not attend any further Audit Committee meetings for 2019.
2. Gary A. Sugar was appointed as a Director effective November 18, 2019 and there were no meetings held in 2019 post appointment.
3. Stephen Flewelling was appointed as a Director effective November 18, 2019 and there were no meetings held in 2019 post appointment.
4. Shelley Brown was appointed as a Director effective June 6, 2019. Ms. Brown attended all Board and Committee meetings post appointment.
5. John Kearney resigned as Chairman and a Director effective June 6, 2019 and therefore did not attend any meetings after June 6, 2019.
6. Dave Nickerson resigned as a Director effective November 18, 2019 and therefore did not attend the last committee meeting.
7. Malcolm J.A. Swallow resigned as a Director effective November 18, 2019.

## Board Mandate

The Board does not have a written mandate. The mandate of the Board is to supervise the management of the business and affairs of the Company. As part of its overall stewardship, the Board of Directors assumes responsibility for strategic planning, identification of the principal risks associated with the Company's business and ensuring appropriate management of these risks and making all senior officer appointments, including responsibility for evaluating performance, management development and succession planning.

## Position Descriptions

The Board has not developed written position descriptions for the Chairman of the Board or the chairs of each of the Board Committees. The Board is of the view that the role and responsibilities of the Chairman of the Board and of the Chairs of the respective Committees are sufficiently familiar that no separate written position descriptions are necessary or advisable. Their primary roles are the managing of the affairs of the Board or such committee including ensuring the Board or such committee is organized properly, functions effectively and meets its obligations and responsibilities. Each chairman conducts the affairs of the committees in accordance with the charters of such committee.

The CEO is responsible for the day to day operations of the Company and reports directly to the Board on a regular basis. The Board responds to, and if it considers appropriate, approves with such revisions as it may require, recommendations which have been brought forward by the Chief Executive Officer. In addition to those matters which by law must be approved by the Board, all significant activities and actions proposed to be taken by the Company including in particular capital budgets, financing, property acquisitions or dispositions, senior appointments and compensation are subject to approval by the Board.

## Orientation and Continuing Education

The Company does not have a formal orientation or education program for directors. New Board members are provided with information respecting the functioning of the Board and its Committees. In addition, directors receive copies of Board materials, corporate policies and procedures, and other information regarding the business and operations of the Company. Board members are expected to keep themselves current with industry trends and developments and are encouraged to communicate with management and, where applicable, auditors and technical consultants of the Company, and visit the Company's offices on a regular basis. Board members have access to legal counsel to the Company in the event of any questions or matters relating to the Board members' corporate and director responsibilities and to keep themselves current with changes in legislation. Board members have full access to the Company's records and general industry information and material of interest is circulated to directors on a regular basis.

## **Ethical Business Conduct**

The Board assumes responsibility for the Company's approach to corporate governance matters. The Board views good corporate governance and ethical business conduct as an integral and essential component to the supervision and management of the Company and to meet responsibilities to shareholders, employees and other stakeholders.

The Board has adopted a written Code of Ethics for directors, officers and employees – a copy of this Code can be found on the Company's website at [www.norzinc.com](http://www.norzinc.com). The Code is intended to define the ethical and regulatory standards applicable to all directors, officers and employees (including contractors) of the Company, and their family members, and provides guidance as to the following matters (being a summary and not an exhaustive list): honest and ethical conduct; avoidance of conflicts of interests, whether actual or perceived; full, fair, accurate, timely and understandable disclosures; compliance with legislation and regulations; prompt internal disclosure of any violation of the Code; and accountability for any failure to respect the Code.

The Code is not considered a comprehensive guide to all of the Company's policies or to individuals' responsibilities under applicable laws and regulations. The Code is intended to provide general parameters and expectations of the Company and is provided to all directors, officers, employees, and key contractors when they commence their services with the Company.

The Board conducts periodic reviews of the Company's corporate governance practices and procedures in the light of applicable rules and guidelines and the current status and stage of development of the Company.

Directors are expected to adhere to all corporate law requirements in respect of any transaction or agreement in which they may have a material interest. It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material. Where appropriate, any director having a material conflict of interest is expected to withdraw from the meeting and not participate in the meeting where such matter is being considered, so that the remaining directors may properly exercise independent judgment.

## **Nomination of Directors**

The Board has appointed a Nominating Committee consisting of John Warwick, Shelley Brown and Gary A. Sugar. The mandate of the Nominating Committee is to identify the experience and competency the Board requires, assess the skills of current board members, determine if the Board would benefit from new directors and, having regard to the rights of RCF VI CAD pursuant to the Investor Agreement to nominate directors and the obligation to maintain the size of the Board at seven directors unless otherwise agreed to by RCF VI CAD, evaluate and recommend suitable director candidates.

Nominations, as they arise, are generally the result of discussions between members of the Board and the CEO, and discussions with RCF VI CAD. Nominations to the Board are determined, after appropriate review investigation and recommendation of the Nominating Committee, by the Board of Directors.

In July 2018, the Company entered into the Investor Agreement with RCF VI CAD, which contained various rights granted to RCF VI CAD as described above, including certain nomination rights.

Anita Perry, who was appointed to the Board in November 2018, and Stephen Flewelling, who was appointed to the Board in November 2019, were nominated by RCF VI CAD.

## **Compensation Committee**

The Board has appointed a Compensation Committee which has responsibility for determining compensation for the directors and senior management. In 2019, the Compensation Committee of the Board consisted of John Warwick, Ian Ward and Stephen Flewelling (all considered independent directors). The Compensation Committee relies on the general knowledge and experience of its members, and recommendations from senior management, in reviewing appropriate levels of compensation for executive officers and the implementation of, or amendment to, any other aspects of compensation that the Compensation Committee may review from time to time. All Compensation Committee members have relevant general, but not direct, experience in executive compensation

and compensation policies and practices in the junior mineral resources business gained through current and prior experience in business, the minerals industry and government.

Pursuant to its Charter, the Compensation Committee has, among others, the following responsibilities:

- Review and make recommendations to the Board regarding the Company's compensation plans, including with respect to incentive-compensation plans and equity-based plans, policies and programs.
- Review the level and form of the directors' compensation and recommend changes to the Board for consideration and approval.
- Review and monitor the Company's employee and management compensation and benefit plans and policies, provide oversight of any employee benefit plan, and review and approve the compensation of the Company's executive officers.
- Annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives and establish the individual elements of the CEO's total compensation based on this evaluation.
- Review and make recommendations to the Board with regard to grants and/or awards of restricted stock, stock options and other forms of equity-based compensation under the Company's stock option, incentive-compensation and equity-based plans (as applicable).
- Review and make recommendations to the Board, when and if appropriate, of employment agreements, severance agreements and change in control provisions / agreements for the CEO and other executive officers.

The Compensation Committee makes recommendations to the Board with respect to the compensation of the President and CEO. The Compensation Committee meets as requested by the Board or the CEO, or as considered desirable by the Compensation Committee. The Compensation Committee has the authority to retain independent advisors as it may deem necessary or appropriate to allow it to discharge its responsibilities.

#### **Other Committees**

In addition to the Audit Committee, the Nominating Committee and the Compensation Committee, the Board also has a Health & Safety Committee comprised of Board members Robert J. (Don) MacDonald, Anita Perry and Stephen Flewelling, along with the Prairie Creek Site Managers. The function of the Health & Safety Committee is to review the Company's Health & Safety Policies, practices and programs, to oversee and regularly evaluate the Company's health and safety performance and to monitor and advise the Board on current and anticipated future best practices and regulatory issues relating to health and safety.

#### **Assessment**

The Board of Directors continuously reviews on an ongoing informal basis the effectiveness of the Board as a whole and the effectiveness, contribution and performance of the Board, its committees and individual directors. Each year, when it determines the number of directors to be elected at the annual meeting of shareholders, the Board considers its appropriate size and composition to properly administer the affairs of the Company and to effectively carry out the duties of the Board, given the Company's current status and stage of development.

#### **Director Term Limits and Other Mechanisms of Board Renewal**

The Company does not impose term limits on its directors. The Company believes term limits are an arbitrary mechanism for removing directors and can result in highly qualified and experienced directors forced out solely based on the length of their service.

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

The Company has not adopted a written policy relating to the identification and nomination of female directors, as it believes that the interests of the Company would be best served by ensuring that new directors are identified and selected from the widest possible group of potential candidates. A formalized written diversity policy governing the identification and selection of potential female candidates may unduly restrict the Board's ability to select the best and most suitable candidate.

The Board is responsible for establishing qualifications and skills necessary for an effective Board and for various committees of the Board, including but not limited to factors such as professional experience, particular areas of expertise, personal character, potential conflicts of interest, diversity and other commitments.

Although diversity (which includes diversity in gender, age, ethnicity and cultural background) is one of the factors considered in the Company's director identification and selection process, other factors, including knowledge and relevant experience, or particular areas of expertise, are given greater consideration in the director identification and selection process. In light of the Company's view that candidates should be selected from the widest possible group of qualified individuals, the level of representation of women may be considered, but is not a major factor in identifying and nominating candidates for election to the Board.

In November 2018, Anita Perry was appointed to the Board of Directors. Shelley Brown was appointed to the Board of Directors in June 2019.

The Company's views with respect to the representation of women in executive officer positions when making executive officer appointments is the same as its views on the representation of women in the director identification and selection process. In making decisions as to executive officer appointments, the Company believes that decisions to hire or promote an individual should be based on that person's knowledge and experience, particular areas of expertise, character and merit. Accordingly, the representation of women in executive officer positions may be considered but is not a major factor when making executive officer appointments.

The Company has not adopted a target regarding the representation of women on the Board or in executive officer positions for the reasons set out above. The Company believes that adopting such a target may unduly restrict its ability to select, hire or promote the best and most suitable candidate for the position in question.

The Company currently has two female Board members (29%). The Company does not have any female executive officers.

## **AUDIT COMMITTEE DISCLOSURE**

The Company's audit committee is governed by a written charter that sets out its mandate and responsibilities. A copy of this charter and the disclosure on the Audit Committee, including the qualifications and experience of its members, as required by National Instrument 52-110 *Audit Committees*, is contained under the heading "Audit Committee Information" in the Company's Annual Information Form (Form 20-F) dated March 13, 2020 for the year ended December 31, 2019 which may be viewed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **APPOINTMENT OF AUDITORS**

Unless such authority is withheld, the Management Proxyholders intend to vote for the re-appointment of KPMG LLP, as auditors of the Company for the 2019 fiscal year, and to authorize the directors to fix their remuneration.

## **ADDITIONAL MATTERS TO BE ACTED UPON**

### **Approval of Increase to Stock Option Plan**

Options are granted by the Company pursuant to the shareholder approved Stock Option Plan. The total number of Common Shares that can be issued under Option grants must also be approved by shareholders. The Stock Option Plan currently provides that the number of Common Shares reserved for issuance and which may be issued pursuant to the exercise of Options granted under the Stock Option Plan shall not exceed 18,300,00 Common Shares. This figure represents approximately 4.69% of the Company's issued and outstanding Common Shares as of the Record Date for the Meeting.

The Company proposes to increase the number of Common Shares reserved for issue under the Stock Option Plan by 3,800,000 Common Shares. The increase of a further 3,800,000 Common Shares would result in (i) the aggregate number of Common Shares reserved for issue under the Stock Option Plan (but not already issued) being 22,100,000 Common Shares, representing approximately 5.70% of the Company's outstanding Common

Shares, and (ii) 9,300,000 Options being available for issuance immediately following such increase, representing approximately 2.39% of the Company's issued and outstanding Common Shares. The increased number of available Options will facilitate the Company's ability to attract and motivate directors, officers and employees of, and service providers to, the Company and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the Options.

In accordance with s. 613(d) of the TSX Company Manual, the following table presents the annual burn rate of our Stock Option Plan for the three most recently completed fiscal years:

	<b>2019 Burn Rate</b>	<b>2018 Burn Rate</b>	<b>2017 Burn Rate</b>
<b>Stock Option Plan</b>	1.52%	1.38%	0%

On April 23, 2020, the Board of Directors of the Company approved an amendment of the Stock Option Plan to increase the number of Common Shares reserved for issuance under the Stock Option Plan by 3,800,000 shares, subject to receipt of shareholder approval of such amendment. Accordingly, at the Meeting, shareholders will be asked to pass a resolution in the following form:

**"BE IT RESOLVED** that the amendment of the Company's Stock Option Plan to increase the number of Common Shares reserved for issuance under the Stock Option Plan and which may be issued upon exercise of options granted under the Stock Option Plan by 3,800,000 Common Shares to 22,100,000 Common Shares is hereby approved."

A copy of the proposed Stock Option Plan, reflecting the terms of the Stock Option Plan if the foregoing resolution is approved, is attached to this Information Circular as Schedule "A".

**Approval of Unallocated Restricted Share Units under RSU Plan**

The RSU Plan was last approved by shareholders on June 27, 2017. For a description of the RSU Plan, see "*Statement of Executive Compensation – Incentive Plan Awards – Restricted Share Unit Plan*".

Since the RSU Plan does not contain a fixed maximum number of securities issuable thereunder, in accordance with the requirements of the TSX, all unallocated RSUs under the RSU Plan must be approved by the Company's directors and shareholders every three years after the plan's adoption.

In accordance with s. 613(d) of the TSX Company Manual, the following table presents the annual burn rate of our Restricted Share Unit Plan for the three most recently completed fiscal years:

	<b>2019 Burn Rate</b>	<b>2018 Burn Rate</b>	<b>2017 Burn Rate</b>
<b>RSU Plan</b>	0.86%	0.73%	0%

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass with or without variation, an ordinary resolution approving all unallocated RSUs issuable pursuant to the RSU Plan. The approval of the shareholders will be effective for a period of three years from the date of the Meeting. If approval is not obtained at the Meeting, RSUs that have not been allocated as of June 27, 2020 (including RSUs that are outstanding as of June 27, 2020 and are subsequently cancelled, terminated or exercised) will not be available for a new grant of RSUs. Previously allocated RSUs will be unaffected by the approval or disapproval of the resolution.

Accordingly, at the Meeting, shareholders will be asked to approve an ordinary resolution in the following form:

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

all unallocated RSUs under the Company's RSU Plan, as it may be amended from time to time, are hereby approved and authorized, which approval shall remain effective until June 4, 2023.

The Board has concluded that the approval of all unallocated RSUs under the Company's RSU Plan is in the best interests of the Company and accordingly, the Board unanimously recommends that shareholders vote FOR the foregoing resolution. Management proxyholders intend to vote FOR this resolution, unless otherwise instructed on the proxy form.

To become effective, the foregoing resolution must be approved by an affirmative vote of at least a simple majority of the votes cast by shareholders at the Meeting.

#### **Approval of Unallocated Deferred Share Units under DSU Plan**

The DSU Plan was last approved by shareholders on June 27, 2017. For a description of the DSU Plan, see "*Statement of Executive Compensation – Incentive Plan Awards – Deferred Share Unit Plan*".

Since the DSU Plan does not contain a fixed maximum number of securities issuable thereunder, in accordance with the requirements of the TSX, all unallocated DSUs under the DSU Plan must be approved by the Company's directors and shareholders every three years after the plan's adoption.

In accordance with s. 613(d) of the TSX Company Manual, the following table presents the annual burn rate of our Deferred Share Unit Plan for the three most recently completed fiscal years:

	<b>2019 Burn Rate</b>	<b>2018 Burn Rate</b>	<b>2017 Burn Rate</b>
<b>DSU Plan</b>	0.38%	0.61%	0.25%

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass with or without variation, an ordinary resolution approving all unallocated DSUs issuable pursuant to the DSU Plan. The approval of the shareholders will be effective for a period of three years from the date of the Meeting. If approval is not obtained at the Meeting, DSUs that have not been allocated as of June 27, 2020 (including DSUs that are outstanding as of June 27, 2020 and are subsequently cancelled, terminated or exercised) will not be available for a new grant of DSUs. Previously allocated DSUs will be unaffected by the approval or disapproval of the resolution.

Accordingly, at the Meeting, shareholders will be asked to approve an ordinary resolution in the following form:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

all unallocated DSUs under the Company's DSU Plan, as it may be amended from time to time, are hereby approved and authorized, which approval shall remain effective until June 4, 2020.

The Board has concluded that the approval of all unallocated DSUs under the Company's DSU Plan is in the best interests of the Company and accordingly, the Board unanimously recommends that shareholders vote FOR the foregoing resolution. Management proxyholders intend to vote FOR this resolution, unless otherwise instructed on the proxy form.

To become effective, the foregoing resolution must be approved by an affirmative vote of at least a simple majority of the votes cast by shareholders at the Meeting.

#### **Additional Information**

Additional information relating to the Company is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.norzinc.com](http://www.norzinc.com). Financial information is provided in the Company's Financial Statements and Management's Discussion and Analysis ("**MD&A**") for the year ended December 31, 2019.

Shareholders may request copies, free of charge, of the Company's Financial Statements, MD&A and Annual Information Form by contacting the Company at:

Suite 1710, 650 West Georgia Street  
Vancouver, British Columbia V6B 4N9  
Tel: (604) 688-2001 Fax: (604) 688-2043  
Email: invest@norzinc.com

## **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the Management Proxyholders to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED at Vancouver, British Columbia as of the 23<sup>rd</sup> day of April, 2020.

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

*“Robert J. MacDonald”*

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Robert J. MacDonald, President and CEO

**SCHEDULE "A"**

**Stock Option Plan**

(See attached)

**NORZINC LTD.**

**AMENDED AND RESTATED 2012 STOCK OPTION PLAN  
(as amended June 4, 2020)**

ARTICLE ONE

DEFINITIONS AND INTERPRETATIONS

Section 1.01 Definitions: For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Corporation, which, when added to all other voting securities of the Corporation at the time held by such person or by such person and all Joint Actors, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Corporation or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Corporation;
- (b) "**Committee**" shall mean the Directors or, if the Directors so determine in accordance with section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan;
- (c) "**Common Shares**" shall mean the common shares of the Corporation, as adjusted in accordance with the provisions of Article Six of the Plan;
- (d) "**Corporation**" shall mean NorZinc Ltd., a corporation existing pursuant to the provisions of the *Business Corporations Act* (British Columbia);
- (e) "**Directors**" shall mean the directors of the Corporation from time to time;
- (f) "**Eligible Insiders**" shall mean the Insiders of the Corporation or of any subsidiary of the Corporation from time to time who, by the nature of their positions are, in the opinion of the Committee, in a position to contribute to the success of the Corporation;
- (g) "**Eligible Employees**" shall mean employees, including officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any subsidiary of the Corporation who, by the nature of their positions or jobs are, in the opinion of the Committee, in a position to contribute to the success of the Corporation;
- (h) "**Expiry Date**" means the later of: (i) the date specified by the Committee at the time of the grant of the Option as the date on which it expires; and (ii) if the date referred to in the foregoing subpart (i) occurs during, or within five (5) trading days after the end of, a trading black-out period imposed by the Corporation (a "**black out period**"), the Expiry Date shall be the date that is ten (10) trading days following the date on which such black out period ends or, if an additional black-out period is subsequently imposed by the Corporation during the such ten trading day period, then the Expiry Date shall be the date thereafter that is the tenth consecutive trading day during which no management imposed black out is in place;

- (i) "**Expiry Time**" has the meaning given to that term in Section 4.04;
- (j) "**Insider**" means an insider as defined in the policies of the TSX;
- (k) "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*;
- (l) "**Option**" shall mean an option to purchase Common Shares granted pursuant to, or governed by, the Plan;
- (m) "**Option Agreement**" means an agreement, substantially in the form attached hereto as Schedule "A", with such additions there to or modifications thereof as may be approved by the Corporation prior to or at the time an Option is granted, whereby the Corporation grants to an Optionee an Option;
- (n) "**Optionee**" means a Participant to whom an Option has been granted pursuant to the Plan;
- (o) "**Option Period**" for a particular Option shall mean the period of time commencing on the date of grant of such Option and ending at the Expiry Time;
- (p) "**Option Shares**" means the aggregate number of Common Shares which an Optionee may purchase under an Option;
- (q) "**Participant**" means a person eligible to be issued Options under the Plan by virtue of being either an Eligible Insider, Eligible Employee or Service Provider;
- (r) "**Plan**" shall mean this stock option plan;
- (s) "**Securities Act**" means the *Securities Act* (British Columbia), as may be amended from time to time;
- (t) "**Service Provider**" shall mean any person or corporation, other than an Eligible Employee or Eligible Insider, engaged to provide services for the Corporation or for any entity controlled by the Corporation for an initial, renewable or extended period of twelve months or more (or such lesser period of time as may be approved by the Committee and acceptable to TSX on a case by case basis), and shall also include any individuals employed by such person or corporation;
- (u) "**TSX**" shall mean The Toronto Stock Exchange;
- (v) "**Unissued Option Shares**" means the number of Common Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of Article 6, such adjustments to be cumulative; and
- (w) "**Vested**" means that an Option has become exercisable in respect of Options held by an Optionee.

Section 1.02 Securities Definitions: In the Plan, the terms "associate", "subsidiary" and "insider" shall have the meanings given to such terms in the Securities Act.

Section 1.03 Headings: The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.04 Context, Construction: Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.05 References to the Plan: The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

Section 1.06 Canadian Funds: Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

## ARTICLE TWO

### PURPOSE AND ADMINISTRATION OF THE PLAN

Section 2.01 Purpose of the Plan: The Plan provides for the grant of Options to Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of directors, officers, employees and service providers of the Corporation and subsidiaries of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by directors, officers, employees and service providers of the Corporation and subsidiaries of the Corporation, it being generally recognized that stock option plans aid in attracting, retaining and encouraging directors, officers, employees and service providers due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

The Plan is designed to comply with the policies set forth in the TSX Company Manual and, subject to Section 8.01, is to be implemented and effective upon approval of the Plan by the shareholders of the Corporation.

Section 2.02 Administration of the Plan: The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

Section 2.03 Delegation to Committee: All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors.

Section 2.04 Record Keeping: The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee;
- (b) the number of Common Shares subject to Options granted to each Optionee; and
- (c) the aggregate number of Common Shares subject to Options.

Section 2.05 Previously Granted Options: As set forth in Sections 2.01 and 8.01, the Plan is to be implemented and effective upon approval of the Plan by the shareholders of the Corporation (with the date of such approval to be hereinafter referred to as the "**Effective Date**"). In the event that on the Effective Date there are outstanding stock options (the "**Pre-Existing Options**") that were previously granted by the Corporation pursuant to any stock option plan (a "**Pre-Existing Plan**") in place prior to the Effective Date, all such Pre-Existing Options shall continue to be governed by and subject to the terms of the Pre-Existing Plan.

Section 2.06 Amendments Apply to Granted Options: Any amendments made to the terms of the Plan after the date hereof that are of general application shall apply to all Options governed by the Plan, whether granted before or after the date of the amendment or made subject to the Plan by operation of Section 2.05 above.

### ARTICLE THREE

#### ELIGIBILITY AND PARTICIPATION IN THE PLAN AND GRANT OF OPTIONS

Section 3.01 Eligibility: Options shall only be granted to Participants.

Section 3.02 Determination of Option Recipients and Option Terms: The Committee shall from time to time determine the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the date of expiry of each Option granted to each Participant and the other terms of each Option granted to each Participant including any vesting provisions that may be applicable, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant. Each Option granted to a Participant shall be evidenced by an Option Agreement containing terms and conditions consistent with the provisions of the Plan, which terms and conditions need not be the same in each case.

### ARTICLE FOUR

#### NUMBER OF COMMON SHARES SUBJECT TO THE PLAN, EXERCISE PRICE AND TERM OF OPTIONS

Section 4.01 Number of Shares: As of the Effective Date, the aggregate number of Common Shares reserved for issuance under the Plan and which may be issued upon exercise of Options shall not exceed 22,100,000 Common Shares, as constituted on the Effective Date. In addition, as of the Effective Date, Options shall only be granted to the extent that the aggregate number of Common Shares which may be issued upon the exercise of Options, including those issuable upon the exercise of Pre-Existing Options, does not exceed 22,100,000 Common Shares, as constituted on the Effective Date. Any Common Shares subject to an Option governed by the Plan and which has been subsequently cancelled or terminated in accordance with the terms of the Plan, without having been exercised, will again be available for issuance pursuant to the exercise of Options granted under the Plan.

Section 4.02 Limits on Grants to Insiders: With respect to Options granted to Insiders:

- (a) the number of Common Shares issuable to Insiders at any time under all security based compensation arrangements shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis at such time; and
- (b) the number of Common Shares issued to Insiders as a group within a one year period under all security based compensation arrangements shall not exceed 10% of the total number of issued and outstanding Shares as at the end of such one year period.

Section 4.03 Exercise Price: The price per share at which any Common Share which is the subject of an Option may be purchased (the "**Exercise Price**") shall be determined by the Committee at the time the Option is granted, provided that such price shall be not less than the closing market price of the Common Shares on the TSX on the day preceding the date of grant or, if the Common Shares are not then listed on the TSX, on the most senior of any other exchange on which the Common Shares are then traded, on the last trading day immediately preceding the date of grant of such Option.

Section 4.04 Term of Options: The Option Period for each Option shall be such period of time as shall be determined by the Committee, provided that no Option Period shall exceed 10 years except in the event that of an extension of the Expiry Time due to a black out period. An Option Period shall expire at 4:00PM (Vancouver time) on the Expiry Date (the "**Expiry Time**"). The Committee may determine the number or percentage of Common Shares which may be purchased by an Optionee pursuant to the exercise of Options during any particular time period within the Option Period.

Section 4.05 Vesting: The Committee may, at its discretion, determine and impose terms upon which each Option shall become Vested. In the event that the Committee imposes a vesting schedule in respect of any Options granted to an Optionee, at any point in time the Optionee will only be entitled to exercise those Options which are Vested at such point in time. Notwithstanding the foregoing, in the event that a Pre-Existing Plan imposed vesting requirements on a Pre-Existing Option, such vesting requirements must be satisfied before any such Pre-Existing Options shall become Vested.

## ARTICLE FIVE

### EXERCISE OF OPTION, EFFECT OF DEATH AND TERMINATION OF EMPLOYMENT AND WITHHOLDING TAXES

Section 5.01 Exercise of Option: Subject to: (i) any restriction on the number or percentage of Common Shares which may be purchased by the Optionee during any particular time period within the Option Period as determined by the Committee; (ii) the vesting provisions applicable to the Option, if any; and (iii) termination of the Option in accordance with the terms of the Plan, an Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period. An Option shall be exercisable by delivering to the Corporation written notice specifying the number of Common Shares in respect of which the Option is exercised together with payment in full of the Exercise Price for each Option exercised by way of certified cheque, bank draft, money order or cash. Upon receipt of such notice and payment by the Corporation, there will be a binding contract for the issue of the Common Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

Section 5.02 Effect of Death: If a Participant shall die while an Optionee, any Option held by such Optionee at the date of death shall be exercisable in whole or in part only by the person or persons to

whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of one year after the date of death of the Optionee or prior to the Expiry Time in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee.

Section 5.03 Effect of Ceasing to be a Participant – For Cause: If an Optionee shall cease to meet the criteria necessary to be a Participant as a result of being terminated for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, any outstanding Options held by such Optionee on the date of such termination, whether Vested or not, shall be cancelled as of that date.

Section 5.04 Effect of Ceasing to be a Participant – For Reasons Other than For Cause: If an Optionee shall cease to meet the criteria necessary to be a Participant for reasons other than termination for cause or by virtue of death, any Option held by such Optionee at such time shall remain exercisable in full at any time, and in part from time to time, for a period ending on the earlier of the Expiry Time and three (3) months after the date on which the Optionee ceases to be a Participant, and then only to the extent that such Optionee was entitled to exercise the Option on the date on which the Optionee ceased to be a Participant. Notwithstanding the foregoing provisions of this Section 5.04, the Committee may, on a case by case basis, allow Options held by an Optionee that ceases to meet the criteria necessary to be a Participant for reasons other than termination for cause or by virtue of death, to remain exercisable in full at any time, and in part from time to time, for such period as the Committee determines but not after the Expiry Time (without any additional Common Shares vesting) where such Expiry Time is more than three (3) months after the date on which the Optionee ceases to be a Participant.

Section 5.05 Withholding Taxes: The Corporation or any subsidiary of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any subsidiary of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option until such time as the Optionee has paid the Corporation or any subsidiary of the Corporation for any amount which the Corporation or subsidiary of the Corporation is required to withhold with respect to such taxes.

## ARTICLE SIX

### CAPITAL CHANGES

Section 6.01 Share Reorganization: Whenever the Corporation issues Common Shares to all or substantially all holders of Common Shares by way of a stock dividend or other distribution, or subdivides all outstanding Common Shares into a greater number of Common Shares, or combines or consolidates all outstanding Common Shares into a lesser number of Common Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation:

- (a) for each Option the Exercise Price will be adjusted to a price per Common Share which is the product of:
  - (i) the Exercise Price in effect immediately before that effective date or record date;
  - and

- (ii) a fraction, the numerator of which is the total number of Common Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Common Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

6.02 Special Distribution: Subject to the prior approval of the TSX, whenever the Corporation issues by way of a dividend or otherwise distributes to all or substantially all holders of Common Shares;

- (a) shares of the Corporation, other than the Common Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Directors have determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Common Shares are determined for purposes of the Special Distribution, for each Option the Exercise Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Directors in their sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

6.03 Corporate Reorganization: Whenever there is:

- (a) a reclassification of outstanding Common Shares, a change of Common Shares into other shares or securities, or any other capital reorganization of the Corporation, other than as described in Sections 6.01 or 6.02;
- (b) a consolidation, merger or amalgamation of the Corporation with or into another corporation resulting in a reclassification of outstanding Common Shares into other shares or securities or an exchange of Common Shares into other shares or securities; or
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Corporation become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Corporation's shareholders, or the exchange with the Corporation's shareholders, of securities of the Corporation, or securities of another company, or both; or
- (d) a transaction whereby all or substantially all of the Corporation's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property

that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

6.04 Spin-Out Transaction: If pursuant to the operation of section 6.03(c) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become a Participant in respect of the New Company, the date that the Subject Options expire pursuant to Sections 5.02, 5.03 or 5.04, as applicable; (iii) if the Optionee becomes a Participant in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to Sections 5.02, 5.03 or 5.04 hereof; and (iv) the date that is two (2) years after the Optionee ceases to be a Participant in respect of the New Company or such shorter period as determined by the Board.

6.05 Determination of Exercise Price and Number of Unissued Option Shares: If any questions arise at any time with respect to the Exercise Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Corporation's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

6.06 Regulatory Approval: Any adjustment to the Exercise Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any provision of this Article Six is subject to the approval of the TSX and any other governmental authority having jurisdiction.

## ARTICLE SEVEN

### TAKE-OVER BIDS AND CHANGES OF CONTROL

7.01 Effect of a Take-Over Bid: If a bona fide offer (an "**Offer**") for Common Shares is made to an Optionee or to shareholders of the Corporation generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Corporation, within the meaning of subsection 1(1) of the Securities Act, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Common Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Common Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Common Shares received upon such exercise, or in the case of clause (b) above, the Common Shares that are not taken up and paid for, may be returned by the Optionee to the Corporation and reinstated as authorized but unissued Common Shares and with respect to such returned Common Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Common Shares were to become Vested pursuant to this section shall be reinstated. If any Common Shares are returned to the Corporation under this Section 7.01, the Corporation shall immediately refund the Exercise Price to the Optionee for such Common Shares.

7.02 Acceleration of Expiry Time: If, at any time when an Option granted under the Plan remains unexercised, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of the full particulars of the Offer, declare all Common Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Time for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Common Shares must be tendered pursuant to the Offer, provided such Offer is completed.

7.03 Compulsory Acquisition or Going Private Transaction: If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares of the Company pursuant to Section 300 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Optionee was theretofore entitled upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the take-over bid.

7.04 Effect of a Change of Control: If a Change of Control occurs, all Common Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the respective Optionee.

## ARTICLE EIGHT

### EFFECTIVE DATE OF PLAN, AMENDMENT OF PLAN AND TERMINATION OF PLAN

Section 8.01 Effective Date of Plan: The Plan is to be implemented and effective upon the approval of the Plan by the shareholders of the Corporation. Such shareholder approval must be given by the affirmative vote of a majority of the Common Shares represented at the meeting of the shareholders of the Corporation at which a motion to approve the Plan is presented.

Section 8.02 Amendment of Plan: The Directors may from time to time, without shareholder approval and subject to applicable law and to the prior approval, if required, of TSX or any other regulatory body having authority over the Corporation or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan to:

- (a) make amendments of a clerical or typographical nature and to include clarifying provisions in the Plan;
- (b) implement features or requirements that are necessary or desirable under applicable tax and securities laws;
- (c) change vesting provisions;
- (d) change termination provisions for an Insider provided that the Expiry Time does not extend beyond the original Expiry Time under the Plan;
- (e) change termination provisions for an Optionee who is not an Insider beyond the original Expiry Time;
- (f) reduce the Exercise Price of an Option for an Optionee who is not an Insider; and
- (g) implement a cashless exercise feature, payable in cash or securities;

provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

Section 8.03 Amendments Requiring Shareholder Approval: Any amendments to the Plan or Options granted thereunder, other than those described in Section 8.02 above, will be subject to the approval of the shareholders. For greater certainty, the Directors may not, without shareholder approval and the prior approval, if required, of TSX, amend or revise the terms of the Plan or of any Option granted under the Plan to:

- (a) increase the Plan maximum or number of shares reserved for issuance under the Plan;
- (b) grant additional powers to the board of directors to amend the Plan or individual Options without shareholder approval;
- (c) reduce the exercise price of Options or other entitlements held by insiders;
- (d) extend to the term of Options held by insiders; and
- (e) change the insider participation limits to those that would have triggered the requirement for disinterested shareholder approval of the Plan under requirements of the TSX.

Section 8.04 Termination of the Plan: The Plan may be terminated at any time by the Directors. Notwithstanding the termination of the Plan, any Option outstanding under the Plan at the time of termination shall remain in effect until such Option has been exercised, has expired, has been surrendered to the Corporation or has been terminated.

## ARTICLE NINE

### MISCELLANEOUS PROVISIONS

Section 9.01 Non-Assignable: No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 9.02 Rights as a Shareholder: No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date of exercise of any Option.

Section 9.03 No Contract of Employment: Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of the Corporation or any subsidiary of the Corporation nor interfere or be deemed to interfere in any way with any right of the Corporation or any subsidiary of the Corporation to discharge any Participant at any time for any reason whatsoever, with or without cause.

Section 9.04 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement: If an Optionee retires, resigns or is terminated from employment or engagement with the Corporation or any subsidiary of the Corporation, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

Section 9.05 Necessary Approvals: The obligation of the Corporation to grant any Option pursuant to the Plan and to issue, sell and deliver any Common Shares on the exercise of an Option is subject to the approval of any governmental authority or regulatory body required in connection with the grant of such Option or the issue, sale and delivery of such Common Shares by the Corporation. Any Options granted prior to the Corporation's receipt of such required approvals shall be conditional upon such approval being given and no Options may be exercised unless such approval has been given.

In the event that any Common Shares cannot be issued to any Optionee pursuant to the exercise of an Option for any reason whatsoever including, without limiting the generality of the foregoing, the failure to obtain any required approval, then the obligation of the Corporation to issue such Common Shares shall terminate and any money paid to the Corporation in connection with the exercise of such Option shall be returned to the Optionee without interest or deduction.

Section 9.06 Form of Notice: A notice given to the Corporation shall be in writing, signed by the Optionee and delivered to the head business office of the Corporation.

Section 9.07 Conflict: In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

Section 9.08 Time of Essence: Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

Section 9.09 Entire Agreement: This Plan and the applicable Option Agreement set out the entire agreement between the Corporation and the applicable Optionee relative to the subject matter hereof and supersede all prior agreements, undertakings and understandings, whether oral or written.

Section 9.10 No Representation or Warranty: The Corporation makes no representation or warranty as to the value of any Option granted pursuant to the Plan or as the future value of any Common Shares issued pursuant to the exercise of any Option.

Section 9.11 Compliance with Applicable Law: If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 9.12 Applicable Law: The Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of British Columbia.

Original Plan approved by the Board of Directors effective May 9, 2012

Original Plan approved by the shareholders of the Corporation effective June 13, 2012

**Effective date of Original Plan: June 13, 2012**

Amendments to Plan to increase shares reserved under the Plan approved by the Board of Directors effective April 23, 2020

Amendments to Plan to increase shares reserved under the Plan approved by the shareholders of the Corporation effective June 4, 2020

**Effective date of Amended and Restated Plan: June 4, 2020**

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Peter Portka  
Chief Financial Officer

**SCHEDULE "A"**

**NORZINC LTD.**

**STOCK OPTION PLAN - OPTION AGREEMENT**

This Option Agreement is entered into between NorZinc Ltd. (the "**Corporation**") and the Optionee named below pursuant to the Corporation's Stock Option Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that:

1. on ●, 20● (the "**Grant Date**");
2. ● (the "**Optionee**");
3. was granted the option (the "**Option**") to purchase ● Common Shares (the "**Option Shares**") of the Corporation;
4. for the price (the "**Option Price**") of \$● per share;
5. which shall be exercisable in full upon approval [OR set forth applicable vesting schedule];
6. terminating on the ●, 20● (the "**Expiry Date**");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

The Optionee acknowledges that any Option Shares received by him upon exercise of the Option have not been registered under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "**Securities Acts**"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him or to assist him in complying with any exemption from such registration if he should at a later date wish to dispose of the Option Shares.

**[Following to be included in Option Agreements with "U.S. Persons"** - The Optionee acknowledges that the Option Shares shall bear a legend restricting the transferability thereof, such legend to be substantially in the following form:

*"The shares represented by this certificate have not been registered or qualified under the United States Securities Act of 1933, as amended or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to U.S. federal or state securities laws, and the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company."*

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

**Acknowledgement – Personal Information**

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to all regulatory authorities of all personal information of the undersigned obtained by the Corporation; and
- (b) the collection, use and disclosure of such personal information by the all regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

20●. **IN WITNESS WHEREOF** the parties hereto have executed this Option Agreement as of the ● day of ●,

**NORZINC LTD.**

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_

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