

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders ("AGM" or the "Meeting"), of Western Resources Corp. (the "Company" or "Western Resources") will be held virtually by ZOOM (see below for access information) on Friday, **March 15, 2024 at 9:00 a.m.** PST to transact the usual business of an Annual General Meeting and for the following purposes:

1. To receive and consider the audited financial statements of the Company for fiscal year ended Sept. 30, 2023, including the auditor's report, and the annual Management Discussion and Analysis Report (MD&A).
2. To set the number of directors at seven (7).
3. To elect directors to hold office until the close of the next Annual General Meeting.
4. To appoint auditor for the Company to hold office until the close of the next Annual General Meeting.
5. To authorize the directors to fix the remuneration to be paid to the auditor of the Company.
6. To consider and, if deemed advisable, to pass a resolution, with or without variation, ratifying and re-approving the stock option plan of the Company and the unallocated rights, options and other entitlements thereunder;
7. To transact such other business as may properly come before the Meeting or any adjournments thereof.

The audited financial statements of the Company for fiscal year ended September 30, 2023 are available for viewing on SEDAR+ at <https://www.sedarplus.com> and on <https://www.westernresources.com/Annual-General-Meeting>.

The Management Information Circular ("MIC") provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. The MIC is available for viewing on SEDAR+ (<https://www.sedarplus.com>) and at <https://www.westernresources.com/Annual-General-Meeting> or can be obtained at the Meeting.

The directors of the Company fixed the close of business on **January 31, 2024** as the record date for determining holders of common shares who are entitled to vote at the Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead.

All registered shareholders can join the virtual AGM by accessing the ZOOM link below:

Direct access at: <https://us02web.zoom.us/j/87570011243?pwd=b1p5QTVvWFBORVhPSkNJK1R0cjhadz09>

or through Meeting ID and Passcode at:

<https://www.zoom.us/join>

Meeting ID: 875 7001 1243

Passcode: 891827

If you are unable to attend the virtual Meeting in person, please complete, sign and date the Form of Proxy and return your signed Form within the time and to the location in accordance with the instructions set out in the Form of Proxy and Information Circular accompanying this Notice. Please advise the Company of any change in your address.

DATED at Vancouver, B.C. this 31st day of January 2024.

BY ORDER OF THE BOARD OF DIRECTORS

WESTERN RESOURCES CORP.

"Bill Xue"

Bill Xue, Chairman

MANAGEMENT INFORMATION CIRCULAR

As at January 31st, 2024 unless otherwise noted
(All dollar amounts shown are in Canadian dollars unless otherwise stated)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Western Resources Corp. ("Western Resources" or the "Company"), at the time and place and for the purposes set forth in the Notice of Annual General Meeting of Shareholders (the "Notice of Meeting").

Notes: The term "shareholder" as defined in the *Business Corporations Act* (British Columbia), S.B.C.2002, c.57 (the "BCBCA"), except in section 385, means a person whose name is entered in a securities register of a company as a registered owner of a share of the company or, until such an entry is made for the company:

- (a) in the case of a company incorporated before the coming into force of the BCBCA, a subscriber, or
- (b) in the case of a company incorporated under the BCBCA, an incorporator.

Under National Instruments 54-101 and 52-102, and with the concept of Notice & Access introduced by the Canadian Securities Administrators (the "CSA"), issuers may change their existing mail packs to a single Notice outlining the meeting date, time, venue, and provide information on how to ACCESS the proxy materials online. Main benefit of the Notice & Access is the reduction in printing which greatly reduces environmental impact as no longer printing high volume of materials. However, proxies may also be solicited personally or by telephone by directors, officers or employees of the Company at nominal cost. The cost of this solicitation will be borne by the Company.

APPOINTMENT OF PROXYHOLDER

A duly completed Form of Proxy will constitute the person(s) named in the enclosed Form of Proxy as the proxyholder for the shareholder (the "Registered Shareholder"). 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 Registered Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Registered 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 ("Proxy") in a form similar to the enclosed form. A proxyholder needs not be a Registered Shareholder.

The persons named in the accompanying Form of Proxy are nominees of the Company's management. A shareholder desiring to appoint another person (who needs not be a shareholder) to represent him or her at the Meeting may do so either by:

- (a) STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY; OR
- (b) BY COMPLETING ANOTHER PROPER FORM OF PROXY.

The completed Proxy must be deposited at the office of Computershare Investor Services Inc., 100 University Ave., 8th Floor, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting.

A shareholder who has given a Proxy may revoke it by an instrument in writing delivered to the office of Computershare Investor Services Inc., Stock Transfer Department, or to the registered office of the Company at Suite 2500 – 666 Burrard St, Vancouver BC V6C 2X8 or to the Chairman of the Meeting, or in any other manner provided by law, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof.

VOTING OF PROXIES

If the instructions as to voting indicated in the Proxy are certain, the common shares of the Company (the "Shares") represented by the proxy will be voted on any poll and where a choice with respect to any matter to be acted upon has been specified in the Proxy, the Shares will be voted on any poll in accordance with the specifications so made. IF A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE FORM OF PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITOR.

The Form of Proxy accompanying this Information Circular confers discretionary authority upon the named Management Proxy holder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company knows of no such amendment or variation or matters to come before the Meeting other than those referred to in the accompanying Notice of Meeting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for the statements of historical fact contained herein, the information presented in this Circular and the information incorporated by reference herein, constitutes "forward-looking information" within the meaning of applicable Canadian Securities Laws concerning the business, operations, plans, financial performance and condition of each of Western Potash and Western Resources. Often, but not always, forward-looking statements can be identified by words such as "*pro forma*", "plans", "expects", "may", "should", "could", "will", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual plans, results, performance or achievements of Western Resources or Western Potash to differ materially from any future plans, results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the timing, closing or non-completion of the Arrangement, including due to the parties failing to receive, in a timely manner and on satisfactory terms, the necessary Court, securityholder, stock exchange and regulatory approvals or the inability of the parties to satisfy or waive in a timely manner the other conditions to the closing or the conditions precedent, as applicable, of the Arrangement; factors discussed under the heading "*Risk Factors*".

Although Western Resources has attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in forward-looking statements in this Circular, and the documents incorporated by reference herein, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements in this Circular, nor in the documents incorporated by reference herein. All of the forward-looking statements made in this Circular, including all documents incorporated by reference herein, are qualified by these cautionary statements.

Western Resources Shareholders are cautioned not to place undue reliance on forward-looking statements. Western Resources undertakes no obligation to update any of the forward-looking statements in this Circular or incorporated by reference herein, except as required by law.

NON-REGISTERED HOLDERS

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Shares they own are not registered in their own names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees of administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS"), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "NOBOs". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as "OBOs".

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to non-registered shareholders unless the non-registered shareholder has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "VIF"). This form is instead of a Proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal Proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

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

Other than as disclosed elsewhere herein, none of the following persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors:

- (a) any director or executive officer of the Company at any time since the commencement of the Company's last completed financial year;
- (b) any proposed nominee for election as a director of the Company; and
- (c) any associate or affiliate of any of the foregoing persons.

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The consolidated financial statements of the Company for the year ended September 30, 2023 (the "Financial Statements"), including the accompanying notes and the auditor's report, and the Management Discussion and Analysis will be available to the shareholders at the Meeting. These documents are also available for viewing on SEDAR at www.sedarplus.com or on the Company's website at www.westernresources.com/investors/agm.

Additional information relating to the Company may be found on SEDAR at www.sedarplus.com. A securityholder may contact the Company to request copies of the Company's financial statements and Management's Discussion and Analysis ("MD&A"). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

APPOINTMENT AND REMUNERATION OF AUDITOR

Management of the Company will recommend to the Meeting that MNP LLP, at MNP Tower, Suite 2200 - 1021 West Hastings Street, Vancouver, BC, be re-appointed as auditor of the Company to hold office until the close of the next Annual General Meeting of Shareholders. It is proposed that the remuneration to be paid to the auditor be fixed by the directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Shares without par value, of which **408,915,478** Shares are issued and outstanding as of the date of this Information Circular. Only Registered Shareholders whose names have been entered into the registers of Western Resources as at the close of business (5:00 p.m. PST) on the Record Date will be entitled to receive notice of and vote at the Meeting, and the Registered Shareholders are entitled to one vote for each Share held. The directors of the Company fixed **January 31, 2024** as the record date for determining those shareholders entitled to vote at this Meeting or at any adjournment(s) or postponement(s) thereof.

To the knowledge of the directors and senior officers of the Company, there are no persons who, or corporations which, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company other than the following:

1. as of the record date, Vantage Chance Limited held 219,726,258 Shares, representing about 53.73% of the issued and outstanding Shares;
2. as of the record date, TR International Investment Limited held 44,444,446 Shares, representing about 10.87% of the issued and outstanding Shares.

DETERMINATION OF NUMBER OF DIRECTORS

The directors are elected at each annual general meeting to hold office until the next Annual General Meeting or until their successors are duly elected or appointed, unless such office is earlier vacated in accordance with the Articles of the Company or a director becomes disqualified to act as a director. As at the date of this Information Circular the Company has six (6) directors.

The Shareholders at last year's AGM approved the number of directors to be set at seven. Given the size and stage of the Company, Management intends to maintain the number of directors comprising the Board at seven (7) for the ensuing year.

ELECTION OF DIRECTORS

The persons named in the following table are proposed by management for election as directors of the Company for the ensuing year, six of them as incumbent and one as new, all of whom have confirmed their respective consent to sit on the board. Each director elected will hold office until the next Annual General Meeting or until his successor is duly elected or appointed, unless such office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a director. In the absence of instructions to the contrary, the enclosed Proxy will be voted for the nominees listed herein.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. THE COMPANY HAS NOT RECEIVED NOTICE OF, AND MANAGEMENT IS NOT AWARE OF, ANY PROPOSED NOMINEE IN ADDITION TO THE NAMED NOMINEES.

The following information concerning the respective nominees has been furnished by each of them:

Name, Province/State and Country of Ordinary Residence	Present principal occupation, business or employment and, if not elected a director by a vote of security holders, principal occupation, business or employment during the past five years ⁽¹⁾	Term of service as a director of the Company and Proposed Expiry Date ⁽²⁾ and First and Last Position in the Company	Approx. no. of voting securities beneficially owned, or controlled or directed, directly or indirectly or over which direction or control is exercised ⁽³⁾
Bill Xue ⁽⁸⁾ ⁽⁹⁾ BC, Canada	President & CEO of the Company, Executive Director of TR International Investment Limited.	Board Director & President since September 2015; CEO since April 2017. Chairman since March 2020.	44,444,446 ⁽⁹⁾
George Gao ⁽⁸⁾ Toronto, Canada	Senior VP of the Company since June 2016; CAO & CFO of the Company and President of Western Potash Corp. from June 2016 to April 2019.	Board Director since March 2021, CFO since April 2021.	Nil
Mark Fracchia ⁽⁵⁾ Calgary, Canada	Chair of the Executive Committee ("EC") of Western Potash Corp. since May 2022; Board Director at March Consulting and STCI Group from 2018 to present; President, Potash at PotashCorp/ Nutrien from 2014 to 2018.	Board Director and Chair of Nominating & Governance Committee of the Company since March 2022.	Nil
Justin Xing ⁽⁸⁾ ⁽¹⁰⁾ Hong Kong, China	Chairman of Vantage Chance Limited	Board Director and Chair of the Executive Committee since October 2022.	219,726,258

Name, Province/State and Country of Ordinary Residence	Present principal occupation, business or employment and, if not elected a director by a vote of security holders, principal occupation, business or employment during the past five years ⁽¹⁾	Term of service as a director of the Company and Proposed Expiry Date ⁽²⁾ and First and Last Position in the Company	Approx. no. of voting securities beneficially owned, or controlled or directed, directly or indirectly or over which direction or control is exercised ⁽³⁾
Andrew Hancharyk Victoria, Canada ^{(4) (6) (7)}	Lawyer, Government of BC, from January 1, 2022 to present; Counsel, Laurentian Bank of Canada, from February 2021 to October 2021; Independent Director for Discovery Harbour Resources, from September 2010 to November 2023.	Board Director since March 2021, Chair of the Corporate Disclosure Policy Committee since March 2023.	Nil
Scott Nagel ^{(4) (6)} Minneapolis, USA	President of ADM Benson Quinn from 2008 to January 2023.	Board Director and Chair of Compensation Committee since March 2023.	Nil
Shun Yui (Raymond) Lu Vancouver, Canada	Partner at Manning Elliott since 2010; Board director at two TSX Venture companies, CFO of one TSX Venture company.	Candidate for Board Director, Audit Committee and Audit Committee Chair.	Nil

Notes:

- (1) Unless otherwise stated, each of the above-named nominees has held the principal occupation or employment indicated for at least five years.
- (2) For the purposes of disclosing positions held in the Company, "Company" shall include the Company and/or a parent or subsidiary thereof. The term of office of each director or proposed director will expire at the next Annual General Meeting.
- (3) Securities beneficially owned by directors are based on information furnished to the Company by the nominees.
- (4) Member of Audit Committee.
- (5) Member of Nominating & Governance Committee.
- (6) Member of Compensation Committee.
- (7) Member of Corporate Disclosure Policy Committee.
- (8) Member of Executive Committee.
- (9) Mr. Bill Xue controls, directly and indirectly 44,444,446 common shares through TR Int'l Investment Ltd, and C&C Int'l Capital Ltd, etc.
- (10) Mr. Justin Xing exercises control over 219,726,258 common shares through Vantage Chance Limited.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No individual set forth in the above table is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

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

Other than as set out below, no individual set forth in the above table, nor any personal holding company of any such individual:

- (a) is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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 such individual; or
- (c) has been subject to (i) 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 (ii) any other 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.

Majority Voting Policy

The Board of Directors has adopted a majority voting policy for the election of directors in uncontested elections that meets the requirements of the policies of the Toronto Stock Exchange (the "TSX"). Under this policy, if a nominee does not receive the affirmative vote of at least the majority of votes cast, the director shall be expected to promptly tender a resignation for consideration by the Board. The Board shall, taking all material facts into consideration as they determine necessary, and with the nominee in question not participating in such meeting, consider the resignation and determine the appropriate action to be taken with respect to such offered resignation. Such factors may include, without limitation, the stated reasons why shareholders withheld votes from the election of the nominee, the length of service and the qualifications of the director whose resignation has been submitted, such director's contributions to the Company and the Company's governance guidelines, if any. The Board's determinations may include: accepting the resignation, maintaining the director but addressing what the Board believes to be the underlying cause of the withheld votes, resolving that the director will not be re-nominated in the future for election, or rejecting the resignation. Such resolution shall set out the reasons underlying the basis for the Board's decision. With exception of special circumstances that would warrant the continued service of the applicable director on the Board, the Board shall be expected to accept the resignation by the director. If a resignation is accepted, the Board may appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board.

The Board's decision shall be made within 90 days after the shareholder meeting at which the election of directors occurred and the Company will then promptly issue a news release setting out that decision. If applicable, the news release will set out the reasons for rejecting any resignation.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular:

- (a) "Chief Executive Officer" or "CEO" means each individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (b) "Chief Financial Officer" or "CFO" means each individual who served as chief financial officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (c) "Named Executive Officers" or "NEOs" means the following individuals:
 - (i) each CEO;
 - (ii) each CFO;
 - (iii) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and
 - (iv) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, on Sept. 30, 2022.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended Sept. 30, 2023.

COMPENSATION DISCUSSION AND ANALYSIS

The Company has established a Compensation Committee, which Committee was comprised of three (3) directors for the past fiscal year. The Board will appoint annually, at the organizational meeting of the full Board, from its members, the members of the Committee. The Board will appoint one member of the Committee as Chair of the Committee. Should a Committee member cease to be a director of the Company, then such Committee member shall be automatically removed. In discharging its general purposes, the Committee's duties include the following items:

1. reviewing the adequacy and form of compensation of senior management;
2. reviewing the performance of the Company's senior management and recommending annually to the Board for approval the amount and composition of compensation to be paid to the Company's senior management;
3. reviewing and approving the corporate goals and objectives relevant to CEO, President and CFO and other senior officer's compensation;
4. reviewing and making recommendations to the Board of Directors with respect to pension, stock option and other incentive plans for the benefit of senior management;
5. overseeing the administration of the Company's employee stock option plan; and
6. reviewing the adequacy and form of the compensation of directors.

On March 4, 2008 the Board (and through to April 5, 2017 when the Plan of Arrangement occurred, all referring to that of the Western Potash Corp) approved the Company's first employee incentive stock option plan (the "Initial Plan"). Pursuant to the terms of the Initial Plan, up to 10% of the total number of Shares issued and outstanding from time to time were reserved for issuance as stock options. Shareholder approval to the Initial Plan, as amended, was obtained at the Company's Annual General Meetings held March 26, 2009, March 24, 2010, and March 30, 2011.

On July 12, 2011 the Company's listing was transferred from the TSX Venture Exchange to the Toronto Stock Exchange ("TSX"). At the Company's Annual and Special General Meeting held on March 26, 2012, Management of the Company sought and obtained shareholder approval to replace the Company's Initial Plan with a new stock option plan in order to become fully compliant with the policies of the TSX.

The TSX requires all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable to be approved by shareholders every three years and therefore the Plan was placed before the shareholders for ratification and approval at its 2015 Annual General Meeting, 2018 Annual General Meeting and 2021 Annual General Meeting of the Company, respectively. Ratification and re-approval of the Plan is included in the 2024 Annual General Meeting.

The purpose of the Company's Plan was to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and to benefit from its growth.

The Company's compensation policies and programs are designed to be competitive with similar mineral property exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. As of January 31, 2024, the total number of issued and outstanding stock options of the Company is **20,990,000**.

The compensation program is designed to reward performance of the NEO of the duties and responsibilities of the particular position and the attainment of the goals set for the NEO in conjunction with the strategic plan of the issuer. The Compensation Committee approved ranges for base salaries for executives of the Company. Compensation comparable were determined on the position of the executive and using experience levels commensurate with the biographies of the current executive and management team. Compensation information, including potential bonuses as a percentage of salary, was extracted from 9 mid-tier and 9 junior mining companies (whose names were not disclosed) classified as either "Development/Exploration, Surface projects < 100 employees", or "Operating mines, Surface projects < 1,000,000 tonnes per year, <100 employees". These categories are relevant to the Company's business and industry size.

Performance goals or similar conditions for the Company upon which bonuses are based include subjective and objective measurements tied to the overall development of the Company. As the Company has no earnings and is in

the construction stage of its mineral project, performance goals are not directly based on its financial statements, apart from capital raised for the Company by management through equity or debt offerings.

The significant elements of compensation awarded to the NEOs are cash salary, stock options and/or annual bonuses.

Cash Salary:

The NEOs are paid a salary in order to ensure that the compensation package offered by the Company is in line with that offered by other companies in the industry, and as an immediate means of rewarding the NEOs for efforts expended on behalf of the Company. The salary to be paid to a particular NEO is determined by available information from the industry. Payment of a cash salary fits within the objective of the compensation program since it rewards the NEO for performance of his or her duties and responsibilities. The payment of such salary may impact on other elements of the compensation package to a particular NEO.

The Compensation Committee reviews the compensation of senior officers and management and provides recommendations to the Board for discussions and approvals with respect to compensation entitlement to incentive compensation (if any), in light of the senior officers' annual performance and in light of criteria proposed by the Committee and adopted by the Board.

Annual Bonus, Stock Options, etc:

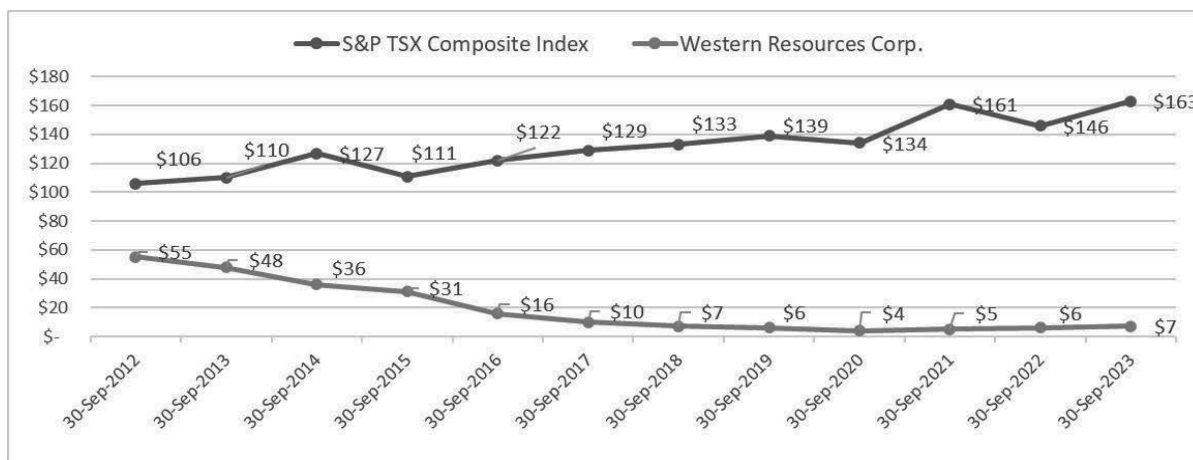
The Compensation Committee reviews any bonuses and stock option grants with the Board and proposes to the Board criteria for assessing the performance of senior management, on an annual basis, in accordance with an evaluation process established by the Board. The performance evaluations of the CEO, CFO and other senior management are then submitted to the Board or Chairman for review and approval. Annual bonuses, if any, and stock options are not based on formal measures, such as share price and E/P ratios.

Following the year ended September 30, 2023 the Company did not take any action or make any decisions or policies that could affect a reasonable person's understanding of any NEO's compensation for the most recently completed financial year, other than as otherwise disclosed herein and in the public records of the Company.

Performance Graph

The graph below compares the yearly percentage change in the cumulative total shareholder return on the Company's common shares against the cumulative total shareholder return of the Toronto Stock Exchange 300 Total Return Index for the period commenced September 30, 2012 and ended September 30, 2023, which was in contrast to the general performance of the S&P/TSX Composite over the same period of time, but was generally in line with the overall trend of global potash industry performance.

Chart 1 Comparison of Total Shareholder Return on Common Shares of the Company and the S&P/TSX Composite - Total Return Index Value (based on Canadian dollars)



The graphs assume that the initial value of the investment on the stock exchange in the Company's common shares and in the indexes was \$100 on the initial date. The Company was initially listed on the TSX Venture Exchange on

May 6, 2008. It has been listed on the TSX since July 12, 2011. On April 5, 2017, Western Potash Corp., through a Plan of Arrangement (the "Arrangement") with Western Resources Corp, was delisted from the Toronto Stock Exchange, and all of its issued and outstanding shares, in the amount of 219,726,258, were simultaneously exchanged for Western Resources common shares on the basis of one Western Potash share for 0.2 of a Western Resources share. As a result, Western Resources common shares commenced trading at the TSX on April 5, 2017 under the symbol of WRX. On September 28, 2022, the Company successfully closed a transaction which resulted in the conversion of common shares of Western Potash Holdings Corp. (a subsidiary of Western Resources which held all of the shares of Western Potash) held by Vantage Chance Limited into Western Resources and resulting in Vantage having a control position in Western Resources.

It is noted that the trend shown by this graph does not reflect the trend in the Company's compensation to executive officers over this period. During this period, the Company was experiencing significant growth while the shareholder return was declining due to disruptions in the financial, junior resource and potash markets.

Option Based Awards

The Company proposes to have Shareholders re-approve the existing incentive stock option plan (the "Plan") at this AGM. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company. All options expire on a date not later than 10 years after the issuance of such options.

The process by which the Board grants option-based awards to executive officers is:

- Options are generally granted to board directors, corporate executives and employees in key positions as well as major consultants as part of the annual compensation review. Options are also granted at other times during the year to individuals commencing employment with the Company or as circumstances warrant, including the closing of significant financings or other transactions. The exercise price for the options is established at the time each option is granted, and such price, in all cases shall be not less than the market price of the securities at the time the option is granted; or a reasonable pre-determined formula, based on a weighted average trading price or average daily high and low board lot trading prices for a short period of time prior to the time of the grant.
- The Board often approves base salaries, annual cash incentives and stock options at the same time to facilitate consideration of target direct compensation to executive officers. Options are granted at other times of the year to individuals commencing employment with the Company.

SUMMARY COMPENSATION TABLE

The compensation paid to the NEOs during the Company's last three fiscal years as of September 30, 2023 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value (\$)	All other compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans			
Bill Xue ⁽⁵⁾ CEO & President; Managing Director of WPC	2023	\$240,000	N/A	\$121,867	NIL	N/A	N/A	NIL	\$361,867
	2022	\$240,000	N/A	\$31,492	\$72,000	N/A	N/A	NIL	\$343,492
	2021	\$240,000	N/A	NIL	N/A	N/A	N/A	NIL	\$240,000
Fritz Venter COO of Western Potash ⁽⁶⁾	2023	\$300,000	N/A	NIL	\$90,000	N/A	N/A	NIL	\$390,000
	2022	NIL	N/A	NIL	NIL	N/A	N/A	NIL	NIL
	2021	\$100,000	N/A	NIL	N/A	N/A	N/A	\$20,000	\$120,000
George Gao, CFO ⁽⁷⁾	2023	\$90,000	N/A	\$85,299	\$62,776	N/A	N/A	NIL	\$238,075
	2022	\$90,000	N/A	\$32,887	\$127,000	N/A	N/A	NIL	\$249,887
	2021	\$90,000	N/A	\$43,840	\$18,000	N/A	N/A	NIL	\$139,340
Jerry Zhang, VP, WRX SVP, WPC	2023	\$180,000	N/A	\$85,299		N/A	N/A	NIL	\$265,299
	2022	\$180,000	N/A	\$15,747	\$12,000	N/A	N/A	NIL	\$207,747
	2021	\$180,000	N/A	NIL	\$9,000	N/A	N/A	NIL	\$189,000
Francis Mukanya Engineering Manager of WPC	2023	\$160,013	N/A	\$97,460	\$32,970	N/A	N/A	NIL	\$290,443
	2022	\$157,872	N/A	\$113,075	\$47,361	N/A	N/A	NIL	\$318,308
	2021	\$152,724	N/A	\$21,524	\$39,468	N/A	N/A	\$10,000	\$202,214

Notes:

- (1) Includes the dollar value of cash and non-cash base salary earned during a financial year covered.
- (2) The amount represents the fair value, on the date of grant, of awards made under the Company's stock option plan. Deemed fair value of options granted during the fiscal year, based on the Black-Scholes option pricing model. The Company used the Black-Scholes option pricing model as the methodology to calculate the grant date fair value, and relied on the following weighted average assumptions and estimates for the 2019 and 2020 calculations:
 - For the 2021 stock option grants: risk-free interest rate of 0.46% to 0.79%; expected life of 5 years; forfeiture rate of 0%; expected volatility of 65% to 94%, and a dividend rate of 0%.
 - For the 2022 stock option grants: risk-free interest rate of 1.33% to 3.45%; expected life of 5 years; forfeiture rate of 0%; expected volatility of 89% to 107%, and a dividend rate of 0%.
 - For the 2023 stock option grants: risk-free interest rate of 3.19% to 3.26%; expected life of 5 years; forfeiture rate of 0%; expected volatility of 83% to 85%, and a dividend rate of 0%.
 The Black-Scholes option pricing model is used because it provides a fair value widely accepted by the business community and is regarded as one of the best ways of determining fair prices of options.
- (3) These amounts, if any, include annual non-equity incentive plan compensation, such as bonuses, including signing bonus and discretionary amounts for the year ended September 30, 2021.
- (4) These amounts cover all compensation other than amounts already set out in the table for the year ended September 30, 2023 and include directors' fees, as applicable, and annual bonuses for prior year's performance, new employee signing bonus, and, if any, amounts paid upon resignation, retirement or other termination of employment or change in control and insurance premiums with respect to term life insurance. Director fees for sitting on the Board and for Board meetings are revised at \$7,500 per quarter for each of the last four quarters, payable to non-executive directors only. Committee Chairmen were paid an additional \$2,500 per quarter fees effective April 1, 2023.
- (5) Bill Xue was appointed Managing Director of Western Potash effective April 2021.
- (6) Fritz Venter's contract was terminated in October 2023.
- (7) George Gao worked on part-time basis effective May 1, 2019. He was appointed as CFO since April 2021.
- (8) Francis Mukanya was appointed Deputy Plant Manager of Western Potash in November 2023, prior to that he was Operations Manager.

INCENTIVE PLAN AWARDS***Outstanding Share-based Awards and Option-based Awards***

The purpose of the Company's Initial Plan and subsequent Stock Option Plan was to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and to benefit from its growth. Directors, officers, employees and consultants of the Company are eligible for stock options at the sole discretion of the Board of Directors. Please refer to the Stock Option Plan circulated together with the Management Information Circular relating to the 2024 shareholder meeting titled "Western Resources Corp. Incentive Stock Option Plan", available also for viewing on SEDAR+ at www.sedarplus.com.

As of January 31, 2024, there were a total of **20,990,000** stock options outstanding for the Company's directors, executives, consultants or staff. **415,000** stock options were exercised by recipients during the fiscal year ended September 30, 2023.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the year ended September 30, 2023, for each NEO:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bill Xue	\$46,640	N/A	N/A
George Gao	\$49,624	N/A	N/A
Jerry Zhang	\$46,640	N/A	N/A
Francis Mukanya	\$37,041	N/A	N/A

Notes:

- (1) In accordance with the terms of the Company's current stock option plan, all stock options awarded are exercisable for a period of up to ten years. The outstanding stock options issued since May 29, 2019 were all valid for five years. Those Options, granted per the 2018 & 2021 Incentive Stock Option Plans, became exercisable effective May 7, 2020 upon Board and the Executive Committee resolutions agreeing to remove all conditions placed upon the exercising of the vested stock options, exercisable at 30% of total Options of each holder on an annual base, with any portion or whole of the 30% unvested allowed to be carried over to the following year for exercise.

PENSION PLAN BENEFITS

The Company has no pension plans for its directors, officers or employees.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

Effective August 1, 2019, the Company entered into an Employment Contract with Fritz Venter, who held the positions of CEO and President of the Company's wholly owned subsidiary Western Potash Corp., with an annual salary of \$240,000, plus a signing bonus of \$100,000. Effective February 26, 2021, the Company entered into a Termination and Mutual Release Contract with Fritz Venter, who resigned from his positions of CEO and President of Western Potash Corp. on March 31, 2021. Mr. Venter rejoined Western Potash Corp in the position of Chief Operating Officer effective October 1, 2022, with a compensation package of \$300,000 per annum. Mr. Venter's employment contract was terminated in October 2023.

Effective November 1, 2021, Western Potash Vice President of Procurement Lowell Berg resigned from his role.

Effective April 1, 2022, Western Potash Vice President of Technology Matthew Wood resigned from his role.

Effective July 24, 2023, Mr. Junjie Liu joined Western Potash Corp. in the position as Corporate Secretary, with an annual compensation of \$130,000.

There are no other major employment contracts between the Company or any of its subsidiaries and a Named Executive Officer during the past financial year. There is no compensatory plan or arrangement, including payments to be received from the Company or any of its subsidiaries, with respect to the Named Executive Officers.

DIRECTOR COMPENSATION

Director Compensation Table

During the most recently completed fiscal year, the directors who are not Named Executive Officers of the Company received compensation from the Company in the aggregate amount of \$100,000. This amount includes a value assigned to option-based awards based on the Black Scholes Option Pricing Model, but there is no assurance that actual value of the options awarded, which are priced above the current trading price of the Company's shares as of the date of this Information Circular, will ever be equal to the amount stated.

Fees provided to the directors for the Company's most recently financial year of September 30, 2023 are as follows:

Name	Fees earned ⁽¹⁾ (\$)	Share-based Awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation ⁽³⁾ (\$)	Total (\$)
Bill Xue ⁽⁴⁾	N/A	NIL	N/A	N/A	NIL	NIL	N/A
Justin Xing ⁽⁵⁾	N/A	NIL	N/A	N/A	NIL	NIL	N/A
George Gao ⁽⁶⁾	N/A	NIL	N/A	N/A	NIL	NIL	N/A
Guy Bentinck ⁽⁷⁾	\$35,000	NIL	\$36,569	N/A	NIL	NIL	\$71,569
Andrew Hancharyk ⁽⁸⁾	\$35,000	NIL	\$36,569	N/A	NIL	NIL	\$71,569
Mark Fracchia ⁽⁹⁾	\$35,000	NIL	\$178,761	N/A	NIL	NIL	\$213,761
Scott Nagel ⁽¹⁰⁾	\$20,000	NIL	\$124,732	N/A	NIL	NIL	\$144,732

Notes:

- (1) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees.
- (2) The amount, if any, represents the fair value, on the date of grant, of awards made under the Company's stock option plan. For fiscal 2023 the grant date fair value has been calculated using the Black Scholes Option Pricing Model in accordance with International Financial Reporting Standards.
- (3) Includes all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly and directors' fees, as applicable, and annual bonuses for the prior year's performance. The non-executive directors receive \$5,000 per quarter for each quarters, and directors who are also committee chairmen receive \$7,500 per quarter (including director fees) effective April 1, 2018.

- (4) Bill (Wenye) Xue resigned from the Board in April 2016 and was subsequently re-appointed in September 2016.
- (5) Justin Xing joined the board of the Company in October 2022.
- (6) George Gao joined the board in March 2021.
- (7) Mr. Bentinck joined the board in March 2020, and resigned in January 2024.
- (8) Mr. Hancharyk joined the board in March 2021.
- (9) Mr. Fracchia joined the board in March 2022.
- (10) Mr. Nagel joined the board in March 2023.

During the fiscal year ended September 30, 2023, a total of 21,750,000 stock options were granted by the Company to management, directors and key staffs and consultants, of which 20,990,000 stock options are outstanding as of January 31, 2024.

Following are the particulars of incentive stock option grants to directors who are not Named Executive Officers during the fiscal year, if any, and for each such director, all share-based awards and option-based awards outstanding as of September 30, 2023:

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 ⁽¹⁾ (\$)	Number of shares or units of shares that have not been vested ⁽²⁾ (\$)	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
Justin Xing	1,000,000	\$0.240	2027-11-15	\$90,000	N/A	N/A	N/A
Andrew Hancharyk	400,000	\$0.165	2026-03-14	\$6,000	N/A	N/A	N/A
	200,000	\$0.240	2027-11-15	\$18,000	N/A	N/A	N/A
Guy Bentinck	400,000	\$0.185	2025-04-23	\$14,000	N/A	N/A	N/A
	200,000	\$0.240	2027-11-15	\$18,000	N/A	N/A	N/A
Scott Nagel	800,000	\$0.230	2028-03-09	\$64,000	N/A	N/A	N/A

Notes:

- (1) Calculated based on the difference between the closing market price of the common shares on the last trading day of the most recently completed financial year and the exercise price of the option.
- (2) In accordance with the policies of the TSX, the exercise price per share was based on the last closing price of the Company's shares on the trading day immediately preceding the date of the stock option grant/date on which the directors publicly announced the stock option grant, less, if applied by the Company, the applicable discount, and would not otherwise be less than \$0.10 per share.

Compensation of Directors

The Company currently pays non-executive directors a quarterly retainer of \$7,500 (with executive directors receiving no director fees). Board Committee Chairs (if non-executives) receive a quarterly retainer of \$10,000 (including director fees) each. Directors are entitled to receive stock options under the Company's incentive stock option plan. See "Incentive Stock Options" elsewhere herein for additional particulars.

During the fiscal year ended September 30, 2023, other than as set out above and in the table under the heading "Executive Compensation" for compensation paid to the Named Executive Officers, no other compensation was paid or is payable by the Company to the other directors of the Company or the Company's subsidiaries, (the "Other Directors"), if any, for their services in respect of the following:

- (a) in their capacity as directors, including any amounts payable for committee participation or special assignments pursuant to any standard or other arrangements; or
- (b) as consultants or experts.

During the most recently completed financial year (October 1, 2022 to September 30, 2023), the Company granted incentive stock options to its Other Directors and Named Executive Officers, as disclosed above in the "Summary Compensation Table" and "Option-Based Awards" / "Share-Based Awards" tables.

Please refer to the section captioned "Election of Directors" for further details with respect to the present positions of the directors of the Company and number of Shares held in the Company.

The Other Directors, as a group, did not exercise any incentive stock options to purchase Shares of the Company during the financial year ended September 30, 2023.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

On March 4, 2008 the Company's Board of Directors (for all events prior to the Plan of Arrangement completed on March 31, 2017, the “Board of Directors” refers to the board of directors of Western Potash Corp.) approved the Company's Initial Plan. Pursuant to the terms of the Initial Plan, up to 10% of the total number of common shares issued and outstanding from time to time were reserved for issuance as stock options. Shareholder approval of the Initial Plan, as amended, was obtained at the Company's Annual General Meetings held March 26, 2009, March 24, 2010, and March 30, 2011. On July 12, 2011 the Company's listing was transferred from the TSX Venture Exchange to the TSX. At the Company's Annual and Special General Meeting held on March 26, 2012, management of the Company sought and obtained shareholder approval to replace the Company's Initial Plan with a 2012 Plan in order to become fully compliant with the policies of the TSX. The TSX requires all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable to be approved by shareholders every three years and therefore the Plan was placed before the shareholders for approval, which approval was obtained during that meeting and at each of the subsequent Annual General Meetings of the Company, respectively on February 26, 2015, March 9, 2018, March 12, 2021. The Plan is up for reapproval during the upcoming AGM scheduled for March 15, 2024.

As of January 31, 2024, the Company has a total of **20,990,000** outstanding stock options, all of which are now exercisable upon the conditions placed for the exercise of vested stock options. In addition, the number of options that is exercisable for each option holder is up to 30%, per annum, of the option holder’s vested options. Any portion of or whole of the 30% option amount that remains unvested is allowed to be carried over to the following year for exercise until the expiration of the issued option.

The Company currently has a total issued and outstanding common shares of **408,915,478**. Based on the Company's 10% rolling Plan, the Company has a total of **40,891,548** stock options issuable, of which **19,901,548** stock options are still available for issuance as of today.

Equity Compensation Plan Information

The following table provides details, as of September 30, 2023, aggregated information for the Company's compensation plans under which equity securities of the Company are authorized for issuance from treasury. As of September 30, 2023, there were 408,915,478 Common Shares issued and outstanding.

Option Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders – stock option plan (as of Jan 31, 2024)	20,990,000	N/A	19,901,548
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Option Rooms Still Available (as of Jan. 31, 2024)			19,901,548

INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, former executive officers, directors and employees of the Company or any of its subsidiaries, proposed nominees for election or associates of such persons is or has been indebted to the Company (other than routine indebtedness) in excess of \$50,000 at any time for any reason whatsoever, including the purchase of securities of the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's last completed financial year, other than as disclosed below and elsewhere herein, no informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or would materially affect the Company. The term "informed person" as defined in National Instrument 51-102 Continuous Disclosure Obligations, means

- (a) a director or executive officer of a reporting issuer;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

During the fiscal year ended September 30, 2023, the Company had no material transactions in which "informed persons" had an interest.

MANAGEMENT CONTRACTS

Other than entities controlled by executive officers of the Company, as disclosed elsewhere in this Information Circular, there are no management functions of the Company which are to any substantial degree performed by a person other than a director or executive officer of the Company.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

It is not known that any other matters will come before the Meeting other than as set forth in the Notice of Meeting accompanying this Information Circular, but if such should occur the persons named in the accompanying Form of Proxy intend to vote on them in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

Approval of Incentive Stock Option Plan

The Company's current rolling 10% stock option plan was last approved by the shareholders at the Company's Annual General Meeting held on March 12, 2021. The TSX requires that every three years after the institution of a security-based compensation arrangement which does not have a fixed maximum number of securities issuable under it, all unallocated rights, options or other entitlements under such security-based compensation arrangement must be approved by a majority of the issuer's directors and by the issuer's security holders.

On January 31st, 2024, the directors of the Company re-approved the Plan. The Plan remains unchanged.

The Company will be seeking shareholder approval for the Plan at the upcoming Annual General Meeting to be held on March 15, 2024. The Plan will be administered by the board of directors of the Company and was initially instituted to attract, retain and motivate directors, officers, employees and contractors of the Company. The Plan will be available for viewing on SEDAR Plus at www.sedarplus.com and is attached as Appendix "A" to this Management Information Circular.

The following information is intended to be a brief description and summary of the material features of the Plan, which is qualified in its entirety by reference to the text of the Plan.

The Plan is a "rolling" stock option plan under which the maximum aggregate number of common shares reserved by the Company for issuance and which may be purchased upon the exercise of all options shall not exceed 10% of the issued and outstanding common shares (on a non-diluted basis). As a result, the number of options available to grant increases as the number of issued and outstanding common shares increases. Also, the common shares covered by options which have been exercised shall be available for subsequent grants.

As at the date of this Management Information Circular, the Company had 20,990,000 stock options outstanding and 408,915,478 common shares outstanding. Based on the 10% rolling plan, the number of common shares to be issued

upon the exercise of all outstanding options would constitute approximately 5.13% of the Company's total issued and outstanding common shares. The total options available for grant under the Plan is, therefore, 19,901,548, which represents approximately 3.50% of the total issued and outstanding common shares of the Company.

The annual burn rate of the Plan was: (i) 5.31 % for the 2023 Financial Year; (ii) 2.50 % for the 2022 Financial Year; and (iii) 0.60 % for the 2021 Financial Year. The annual burn rate is calculated by dividing the number of Options granted during the applicable fiscal year by the weighted average number of common shares outstanding for the applicable fiscal year.

Summary

The following is a summary of the material terms of the Plan:

(a) all options granted under the Plan are non-assignable and non-transferable and can be exercised for up to a period of 10 years. The expiry date of outstanding Options held by Optionees which may expire during a restricted trading period, imposed by the Company in accordance with applicable securities laws (a "Blackout Period"), will be extended for a period of 10 business days commencing on the first business day after the expiry date of the Blackout Period to provide such Optionees with an extension to the right to exercise such Options.

(b) if any Optionee dies holding an Option which has not been fully exercised, his personal representative, heirs or legatees may, at any time within 60 days of grant of probate of the will, or letters of administration of the estate of the decedent, or within one year after the date of such death, whichever is the lesser time (notwithstanding the normal expiry date of the Option) exercise the Option with respect to the unexercised balance of the Shares subject to the Option;

(c) the Optionee shall, if so requested by the Company, confirm that the person is, or the Optionee was, a director, officer, Consultant or employee of the Company or a director, officer, Consultant or employee of an associated, affiliated, controlled or subsidiary company;

(d) if an Optionee ceases to be employed by or to provide services to the Company or ceases to act as a director or officer of the Company or a subsidiary of the Company, except in the event of the death of the Optionee, any option held by such Optionee shall terminate within 30 days. If an Optionee is terminated for cause, the Company may terminate the options immediately;

(e) the price per Share at which Shares may be purchased upon the exercise of an Option will not be lower than the "Market Price", defined as the last recorded sale of a board lot of Shares on the TSX during the trading day immediately preceding the date of granting of the Option or, if there was no such sale, the average high and low trading prices on the TSX of the Shares for the five trading days immediately preceding the date on which the Option is granted;

(f) the Plan allows for an Optionee to terminate an Option and to receive, in lieu thereof, Common Shares equal to the approximate current value of the gain (commonly known as 'Share Appreciation Rights'). An Optionee may, if so determined by the Board on a case by case basis, have the right (the "**Right**"), when entitled to exercise an Option, to terminate such Option in whole or in part by notice in writing to the Company and in lieu of receiving Common Shares pursuant to the exercise of the Option, shall receive instead and at no cost to the Optionee that number of Common Shares, disregarding fractions, which, when multiplied by the Market Price on the day immediately prior to the exercise of the Right, have a total value equal to the product of that number of Common Shares subject to the Option times the difference between the Market Price on the day immediately prior to the exercise of the Right and the Option exercise price;

(g) the number of Common Shares issuable to insiders of the Company, at any time, under all security-based compensation arrangements, cannot exceed 10% of the total issued and outstanding Common Shares (and to a maximum of 5% with respect to any one individual); and the number of Common Shares issued to insiders, within any one-year period, under all security-based compensation arrangements, cannot exceed 10% of the Company's issued and outstanding Shares;

(h) directors, officers, consultants and employees of the Company and its subsidiaries will be eligible to receive Options;

(i) The Company's Compensation Committee may, at its discretion, with respect to any Option, impose additional terms and conditions, including conditions for the vesting of Options, which are more restrictive on the Optionee than those provided for in the Plan;

(j) pursuant to the policies of the TSX, the Company will be required to obtain disinterested shareholder approval if:

- (i) before the number of Common Shares under Options to Insiders within any 12-month period may exceed 10% of the total issued and outstanding Common Shares of the Company, and before the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceed, at any one time, 10% of the outstanding common share capital of the Company;
- (ii) for the reduction in the exercise price of Options granted to Insiders.
- (iii) before the number of Shares under Option at any specific time to any one Optionee may exceed 5% of the issued and outstanding common shares of the Company (determined at the date the Option was granted) in any 12 month period.

(k) the Board may, at any time, without further approval by the shareholders of the Company, amend the Plan or any Option granted under the Plan in such respects as it may consider advisable and, without limiting the generality of the foregoing it may:

- (i) amend typographical, clerical and grammatical errors;
- (ii) reflect changes to applicable securities laws;
- (iii) change the termination provisions of an Option or the Plan which do not entail an extension beyond the original expiry date;
- (iv) include the addition of a cashless exercise feature, payable in cash or securities; and
- (v) reduce the exercise price of an Option for an option holder who is not an Insider, so long as any reduction does not cause the exercise price to go below the then "Market Price".

Notwithstanding the foregoing, the terms of an existing Option may not be altered, suspended or discontinued without the consent in writing of the effected Optionee.

Form of Resolution

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, a resolution (the "**Option Plan Resolution**") ratifying and approving the Plan, and the unallocated rights, options and other entitlements thereunder.

The text of the Option Plan Resolution to be submitted to Shareholders at the Meeting is set forth below:

"BE IT RESOLVED THAT:

1. The Company's stock option plan in the form attached as Appendix "A" to this Management Information Circular be and is hereby approved, ratified and confirmed;
2. All unallocated rights, options or other entitlements under the Plan be and are hereby ratified, confirmed and approved;
3. The Company has the ability to continue granting options under the Plan until March 15, 2027, that is until the date that is three years from the date where shareholder approval is being sought; and
4. Any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determined to be necessary in order to give full effect to the intent and purpose of this resolution."

The Board recommends that Shareholders vote **FOR** the Option Plan Resolution. To be effective, the Option Plan Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person or represented by proxy, at the Meeting. The nominees named in the accompanying form of proxy will vote the shares represented thereby **FOR** such resolution, unless the Shareholder has given contrary instructions in such form of proxy.

If approval of the Option Plan Resolution is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated Options under the Option Plan until the Company's 2027 annual shareholders' meeting. If approval of the Option Plan Resolution is not obtained at the Meeting, the Company will be unable to grant any new options, but all existing options will remain in effect under the Plan, subject to the policies of the TSX. If any options are cancelled, expired or exercised, such options will not be available for new grants.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Company's Board of Directors is currently comprised of six directors, including Bill Xue, George Gao, Justin Xing, Andrew Hancharyk, Mark Fracchia and Scott Nagel. Andrew Hancharyk and Scott Nagel are independent directors as defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Bill Xue, George Gao, Justin Xing and March Fracchia are not independent by virtue of their being either in executive roles or representing a controlling shareholder as defined in NI 52-110.

Directorships

There is no director of the Company who is a director of any other issuer that is a reporting issuer (or the equivalent) in any jurisdiction including foreign jurisdictions.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, during the course of a directors' meeting, if a matter is more effectively dealt with the presence of members of management, the independent directors ask members of management to leave the meeting, and the independent directors then meet *in camera*.

From October 1, 2022 until the end of the fiscal year ended September 30, 2023, the Company held three (3) board meetings.

Board Mandate

At its first board meeting on April 5, 2017, immediately after the completion of the Plan of Arrangement with Western Potash Corp., the Board of Directors of Western Resources Corp. approved a written mandate named "Rules of Procedure for the Board of Directors" which regulates the rules of discussion and the decision-making procedure of the Board of Directors, and clarifies the obligations and authority of the Board of Directors and the professional committees, formulated in accordance with the *Business Corporations Act* (British Columbia), the *Interpretation Act* (British Columbia), and the Articles of the Company and relevant regulations. The Rules of Procedure for the Board of Directors were updated during the annual board meeting dated October 28, 2020 to reflect changes and developments of the Company and the board. Through this mandate, the Board of Directors is, in general, responsible for supervising management in carrying out the businesses and affairs of the Company. Directors are required to act and exercise their powers with reasonable prudence in the best interests of the Company. The Board agrees with and confirms its responsibility for overseeing management's performance in the following particular areas:

- the strategic planning process of the Company;
- identification and management of the principal risks associated with the business of the Company;
- planning for succession of management members;
- the Company's policies regarding communications with its shareholders and others; and
- the integrity of the internal controls and management information systems of the Company.

In carrying out its mandate, the Board relies primarily on management to provide it with regular detailed reports, including reports on the project which the Company is constructing, the operations of the Company, and its financial position. The Board reviews and assesses these reports at meetings of the full Board and of its committees. The President and CEO is a member of the Board, which also gives the Board direct access to information in his areas of responsibility. Other management personnel regularly attend Board meetings to provide information and answer questions. Directors also consult from time to time with management and certain directors have, on occasion, visited the properties of the Company although this has been proven challenging during the Covid period. The reports provided to the Board include details concerning the monitoring and management of the risks associated with the Company's activities, such as compliance with safety standards and legal requirements, environmental issues and the financial position and liquidity of the Company. At least annually, the Board reviews management's report on its business and strategic plan and any changes with respect to risk management and succession planning.

Position Descriptions

The Board adopted The Rules of Procedure for the Board of Directors (the "Rules") at its first Board Meeting dated April 5, 2017 following the completion of the Plan of Arrangement on April 5, 2017, which Rules were further updated by the Board on October 28, 2020. The Rules include a detailed position description for the Chairman, the chairman of any Board committees, but not the CEO, the President or the CFO (other than has been summarized in management contracts between the Company and, respectively, the CEO and CFO). The Board is at this time of the view that, given the size of the Company, the relatively frequent discussions among Board members, the CEO and the CFO, and the experience of the individual board members, the responsibilities of the CEO and CFO are known and understood without the need for position descriptions to be reduced to writing. The Board will evaluate this position from time to time, and if written position descriptions appear necessary to improve governance, the Board will direct that such descriptions be created.

Orientation and Continuing Education

The Company does not have a formal orientation and continuing education program. However, the Company ensures that new board members are properly trained and oriented as part of the Board of Directors' overall stewardship responsibility. The Board of Directors is responsible for supervising management in carrying on the business and affairs of the Company. Directors are required to act and exercise their powers with reasonable prudence in the best interests of the Company. The Board discharges the following responsibilities as part of its overall stewardship responsibility:

- the strategic planning process of the Company;
- identification and management of the principal risks associates with the business of the Company;
- planning for succession of management;
- the Company's policies regarding communications with its shareholders and others; and
- the integrity of the internal controls and management information systems of the Company.

Ethical Business Conduct

The directors of the Company encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility.

Audit Committee Charter

The Audit Committee of the Board of Directors of the Company operates under a written charter that sets out its responsibilities and composition requirements. The Audit Committee charter was updated by the Audit Committee and the Board on July 10, 2020, which text is attached as Schedule "A" to the Company's Annual Information Form for the financial year ended September 30, 2023 and is available for viewing on SEDAR+ at www.sedarplus.com. The mandate of the Audit Committee includes direct responsibility for overseeing the Company's accounting and financial reporting process and audits of financial statements, and direct responsibility for the appointment, compensation, and oversight of the work of any registered external auditor employed by the Company (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Company also updated its Whistleblower policy on April 17, 2020, which may be further updated from time to time depending on the Company's overall status and needs.

Composition of the Audit Committee

As of the date of hereof, the members of the Audit Committee are Andrew Hancharyk and Scott Nagel, both of whom are "financially literate and "independent", within the meanings set out in NI 52-110.

Relevant Education and Experience

Mr. Hancharyk joined the board of Western Resources Corp. in March 2021, serving also in the Company's Audit Committee in his capacity as an independent director.

Mr. Hancharyk is currently lawyer for the Government of the Province of British Columbia. He was Director of Corporate Services for The County of the Corporation of Prince Edward, Picton, ON (Oct 2018 to Sep 2019); Chief Legal Officer of Largo Resources Ltd., (May 2013 to Jul 2015); Senior Legal Counsel and Consultant for CHC Helicopter Group, (Oct 2010 to Nov 2012); National Policy Manager of TMX Group - TSX Venture Exchange, Vancouver, BC (Nov 2007 to Feb 2010); General Counsel and Corporate Secretary of First Quantum Minerals Ltd.,

Vancouver, BC (Sep 2005 to Sep 2007) and Associate Counsel of Sherritt International Corporation/Sherritt Power Corporation, Toronto, ON (Jul 1998 to Aug 2005).

Mr. Hancharyk's background as lawyer is in the corporate, securities and M&A sectors. He holds a business degree and a JD/LL.B from the University of Ottawa as well as a Master of Laws from Osgoode Hall at York University.

Mr. Nagel joined the board of Western Resources Corp. in March 2023. He was also appointed as Western's Chair of the Compensation Committee.

Mr. Nagel has over 30 years of management and executive experience, especially in grain and fertilizer businesses, to Western. He is well connected in the trading of grains, fertilizer and freight in the US and other major markets. He started in the grain business in 1988 when he joined Benson Quinn Co ("BQC"). With BQC purchased by ADM in 1997, Mr. Nagel transferred his role to ADM where he assumed the role of President, ADM Benson Quinn in 2008 until he retired in January 2023.

Mr. Nagel graduated from the University of Minnesota majoring in Agricultural Economics. He also attended the Harvard Business School ADM CEO led executive development program.

Executive Committee

The Company has established an Executive Committee. As of the date hereof, the members of the Executive Committee are Justin Xing, Bill Xue and George Gao, with Justin Xing as Chair. The Executive Committee has been established to make recommendations to the board on business strategy, planning, policy, investment and risk decisions.

Compensation Committee

The Company has established a Compensation Committee. As of the date hereof, the members of the Compensation Committee are Scott Nagel, Andrew Hancharyk, with Scott Nagel as chair. The directors receive compensation as detailed previously. The Compensation Committee reviews the compensation of the CEO, CFO and other officers of the Company. The review is conducted in the context of the services of the Officers and in the context of market rates for persons of similar qualifications performing similar services.

Corporate Disclosure Policy Committee

The Company has established a Corporate Disclosure Policy Committee. As of the date hereof, the members of the Corporate Disclosure Policy Committee are Andrew Hancharyk, Jerry Zhang and Jack Xue, with Andrew Hancharyk as the Chair. The Corporate Disclosure Policy Committee has been established to make recommendations to the Board on required corporate disclosures and to carry out its functions, guided by the Corporate Disclosure Policy as adopted by the Company. The Corporate Disclosure Policy also deals with and establishes guidelines relating to ethical business conduct in certain instances.

Nomination & Assessment Committee

The Company established a Nominating and Assessment Committee in March 2022. As of the date hereof, the members of the Committee are Mark Fracchia, Scott Nagel and Jerry Zhang, with Mark Fracchia as the Chair. The Committee has been established to make recommendations to the Board on appointments of senior management personnel and set-up of appropriate positions as well as the enhancement and improvement of the Company's governance standards.

Other Board Committees

The Board of Directors has no other Special Committees in place at this time, except for the Executive Committee, Audit Committee, Compensation Committee, Corporate Disclosure Policy Committee and Nominating & Governance Committee, the size of which is believed to be in alignment with the current workload of the Company.

However, as the scale of the Company's operations and its employee and management base increase, the Board expects that its size may increase modestly, and the formality of its corporate governance processes may also be reviewed. The Board of Directors of the Company as a whole is cognizant of further developing the Company's approach to corporate governance. Board and management meet and discuss Company business frequently.

Assessments

The Board of Directors of the Company does not conduct any formal evaluation of the performance and effectiveness of the members of the Board, the Board as a whole or any committee of the Board. Each director has broad public company experience. Frequency of attendance at Board and committee meetings and the quality of participation in such meetings are two of the criteria by which the performance of a director is assessed.

Reliance on Certain Exemptions to Sections of NI 52-110

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the following exemptions of NI 52-110:

- (a) the exemption in section 2.4. *De Minimis Non-audit Services*;
- (b) the exemption in section 3.2 *Initial Public Offerings*;
- (c) the exemption in section 3.4 *Events Outside Control of Member*;
- (d) an exemption from NI 52-110, in whole or part granted under Section 8, *Exemptions*

Reliance on the Exemption in Subsection 3.3(2) or Section 3.6 of NI 52-110

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on the exemption in subsection 3.3(2), *Controlled Companies*, or section 3.6, *Temporary Exemption for Limited and Exceptional Circumstances*.

Reliance on Section 3.8 of NI 52-110

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on the exemption in section 3.8, *Acquisition of Financial Literacy*.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board of Directors.

Pre-Approval Policies and Procedures

Subject to the requirements of NI 52-110, the Audit Committee has the sole authority to review in advance, and grant any appropriate pre-approvals, of all non-audit services to be provided by the independent auditors and, in connection therewith, to approve all fees and other terms of engagement. The Audit Committee will also review and approve disclosures required to be included in periodic reports filed with securities regulators with respect to non-audit services performed by external auditors.

In recognition of the fact that the independent auditors are ultimately accountable to the Committee, the Committee shall have the authority and responsibility to nominate for shareholder approval, evaluate, and where appropriate, replace the independent auditors and shall approve all audit engagement fees and terms and all non-audit engagements with the independent auditors. The Committee shall consult with management but shall not delegate these responsibilities.

External Auditor Service Fees (By Category)

Set forth below are details of certain service fees paid to the Company's external auditor in each of the last two fiscal years for audit services:

Financial Year End	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
September 30, 2023	\$158,360	\$16,536	Nil	Nil
September 30, 2022	\$149,000	\$18,000	Nil	Nil

Notes:

- (1) The aggregate fees billed by the Company's external auditor.
- (2) The aggregate fees billed in the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees".
- (3) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than the services reported under clauses (1), (2) and (3) above.

ADDITIONAL INFORMATION

Additional information concerning the Company is available on SEDAR+ at (<http://www.sedarplus.com>) and at the Company's web site at (<http://www.westernresources.com>). Financial information concerning the Company is provided in the Company's comparative audited financial statements and Management's Discussion and Analysis for the fiscal year ended September 30, 2023.

BOARD APPROVAL

The contents of this Information Circular and the sending thereof to shareholders entitled to receive notice of the Meeting, to each director, to the auditors of the Company and to the appropriate governmental agencies have been reviewed and approved in substance by the directors of the Company pursuant to resolutions passed as of Feb 5, 2024.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or is necessary to make a statement not misleading in the light of the circumstances in which it was made.

BY ORDER OF THE BOARD

Western Resources Corp.

"Bill Xue"

BILL XUE, CHAIRMAN

WESTERN RESOURCES CORP. INCENTIVE STOCK OPTION PLAN

1. Purpose

The purpose of the Incentive Stock Option Plan (the "**Plan**") is to promote the profitability and growth of Western Resources Corp. (the "**Company**") by facilitating the efforts of the Company and its subsidiaries to obtain and retain key individuals. The Plan provides an incentive for and encourages ownership of the Company's common shares ("**Shares**") by its key individuals so that they may increase their stake in the Company and be incentivized by increases in the value of the Company's Shares.

The Plan is a "rolling" stock option plan. The aggregate number of shares of the Company which may be issued and sold under this Plan will not exceed 10% of the total number of issued and outstanding shares of the Company from time to time.

2. Administration

2.1 The Plan will be administered by the Company's Board of Directors (the "**Board**") or a committee of the Board ("**Committee**"). In the event the Plan is administered by a Committee, the Committee shall comprise not fewer than three persons, each of whom must be "independent" within the meaning of National Instrument 52-110, *Audit Committees*, adopted by the Canadian Securities Administrators.

2.2 The Committee will be authorized, subject to the provisions of the Plan, to adopt such rules and regulations which it deems consistent with the Plan's provisions and, in its sole discretion, to grant options ("**Options**") to purchase Shares of the Company pursuant to the Plan. The Committee may authorize one or more directors, officers or employees of the Company or an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Company or a subsidiary has a contract for substantial services (a "**Consultant**") to execute, deliver and receive documents on behalf of the Committee.

3. Eligibility

3.1 All directors, officers, Consultants and employees of the Company and its subsidiaries will be eligible to receive Options.

3.2 Nothing in the Plan or in any Option shall confer any right on any individual to continue in the employment of or in any capacity with the Company or its subsidiaries or will interfere in any way with the right of the Company or subsidiaries to terminate at any time the employment or other capacity of a person who is an optionee ("**Optionee**") under an Option.

4. Shares Subject to Options

4.1 The Shares to be optioned under the Plan will be authorized but unissued common shares without par value of the Company.

4.2 Subject to adjustment as provided for herein, the number of Shares available for purchase pursuant to Options granted pursuant to this Plan will not exceed 10% of the number of Shares which are issued and outstanding on the particular date of grant of Options including the existing Shares currently subject to

outstanding Options as of the date of this Plan which were granted prior to the implementation of this Plan and which, by the implementation of this Plan, are covered under this Plan.

4.3 Any Shares subject to Options which for any reason is cancelled or terminated without having been exercised, shall again be available for grant under the Plan. No fractional shares shall be issued. Reference should be made to section 26.4 for the manner in which fractional share values will be treated.

4.4 The Board may, at any time, without further approval by the shareholders of the Company, amend the Plan or any Options granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:

- (a) amend typographical, clerical and grammatical errors;
- (b) reflect changes to applicable securities laws;
- (c) change the termination provisions of Options or the Plan which do not entail an extension beyond the original expiry date;
- (d) include the addition or amendment of a cashless exercise feature, payable in cash or securities; and
- (e) reduce the exercise price of Options for an Optionee who is not an insider of the Company so long as any reduction does not cause the exercise price to go below the then "Market Price".

4.5 The number of Shares issuable to insiders of the Company, at any time, under all security-based compensation arrangements, cannot exceed 10% of the total issued and outstanding (as to a maximum of 5% with respect to any one individual) Shares; and

4.6 The number of Shares issued to insiders, within any one year period, under all security-based compensation arrangements, cannot exceed 10% of the Company's issued and outstanding Shares. This provision applies to all types of security-based compensation.

5. Granting of Options

5.1 The Committee may from time to time at its discretion, subject to the provisions of the Plan, determine those eligible individuals to whom Options will be granted, the number of Shares subject to such Options, the dates on which such Options are to be granted and the expiration of such Options.

5.2 The Committee may, at its discretion, with respect to any Option, impose additional terms and conditions, including conditions for the vesting of Options, which are more restrictive on the Optionee than those provided for in the Plan.

5.3 Each Option will be evidenced by a written agreement between, and executed by, the Company and the individual containing terms and conditions established by the Committee with respect to such Options and will be consistent with the provisions of the Plan.

6. Option Price & Market Price

6.1. The price per Share at which Shares may be purchased upon the exercise of any Options (the "**Option Price**") will not be lower than the "Market Price", defined herein as the last recorded sale of a board lot of Shares on the Toronto Stock Exchange (the "**TSX**") during the trading day immediately preceding the date of granting of the Option or, if there was no such sale, the average of the high and low trading prices on the TSX of the Shares for the five trading days immediately preceding the date on which the Options are granted.

7. Key Terms of Options

- (a) all options granted under the Plan are non-assignable and non-transferable and can be exercised for up to a period of 10 years. The expiry date of outstanding Options held by Optionees which may expire during a restricted trading period, imposed by the Company in accordance with applicable securities laws (a "**Blackout Period**"), will be extended for a period of 10 business days commencing on the first business day after the expiry date of the Blackout Period to provide such Optionees with an extension to the right to exercise such Options.
- (b) if any Optionee dies holding an Option which has not been fully exercised, his personal representative, heirs or legatees may, at any time within 60 days of grant of probate of the will, or letters of administration of the estate of the decedent, or within one year after the date of such death, whichever is the lesser time (notwithstanding the normal expiry date of the Option) exercise the Option with respect to the unexercised balance of the Shares subject to the Option;
- (c) the Optionee shall, if so requested by the Company, confirm that the person is, or the Optionee was, a director, officer, Consultant or employee of the Company or a director, officer, Consultant or employee of an associated, affiliated, controlled or subsidiary company;
- (d) if an Optionee ceases to be employed by or to provide services to the Company or ceases to act as a director or officer of the Company or a subsidiary of the Company, except in the event of the death of the Optionee, any option held by such Optionee shall terminate within 30 days. If an Optionee is terminated for cause, the Company may terminate the option immediately;
- (e) the price per Share at which Shares may be purchased upon the exercise of an Option will not be lower than the "Market Price", defined as the last recorded sale of a board lot of Shares on the TSX during the trading day immediately preceding the date of granting of the Option or, if there was no such sale, the average high and low trading prices on the TSX of the Shares for the five trading days immediately preceding the date on which the Option is granted;
- (f) directors, officers, consultants and employees of the Company and its subsidiaries will be eligible to receive Options;
- (g) The Company's Compensation Committee may, at its discretion, with respect to any Option, impose additional terms and conditions, including conditions for the vesting of Options, which are more restrictive on the Optionee than those provided for in the Plan;

Notwithstanding the foregoing, the terms of an existing Option may not be altered, suspended or discontinued without the consent in writing of the effected Optionee.

8. Share Appreciation Rights

8.1 An Optionee may, as allowed under the policies of the TSX or any more senior exchange upon which the Company may list, and as determined by the Committee on a case by case basis, have the right (the "**Right**"), when entitled to exercise an Option, to terminate such Option in whole or in part by notice in writing to the Company and in lieu of receiving Common Shares pursuant to the exercise of the Option, shall receive instead and at no cost to the Optionee that number of Common Shares, disregarding fractions, which, when multiplied by the Market Price on the day immediately prior to the exercise of the Right, have a total value equal to the product of that number of Common Shares subject to the Option times the difference between the Market Price on the day immediately prior to the exercise of the Right and the Option exercise price. No such share appreciation rights will exist, however, until the Board formally approves the activation of this Right.

9. Transferability of Options

9.1 Any Options may not be assigned. During the lifetime of an Optionee, the Options may be exercised only by the Optionee.

10. Termination of Employment

10.1 Upon termination of employment or other capacity with the Company for any reason except death, retirement, termination for Cause (as set out in Item 10.2 below) or failure of re-election as a director, or failure to be re-appointed as an officer of the Company, an Optionee may, at any time within 30 days after the date of termination but not later than the date of expiration of the Options, exercise the Options to the extent the Optionee was entitled to do so on the date of termination. Any Options or portions of Options of terminated individuals not so exercised will terminate and will again be available for future Options under the Plan. A change of employment or capacity with the Company will not be considered a termination so long as the Optionee continues to be employed or engaged by the Company or its subsidiaries in a capacity eligible to receive Options under this Plan.

10.2 Unless otherwise provided in the Plan and set forth in the Optionee's agreement, if an Optionee's employment with the Company or its affiliates shall be terminated for cause, the Committee may, in its sole discretion, immediately terminate such Optionee's right to any further payments, vesting or exercisability with respect to any Options in its entirety. The Committee shall have the power to determine whether the Optionee has been terminated for cause and the date upon which such termination for cause occurs. Any such determination shall be final, conclusive and binding upon the Optionee. In addition, if the Company shall reasonably determine that an Optionee has committed or may have committed any act which could constitute the basis for a termination of such Optionee's employment for cause, the Company may suspend the Optionee's rights to exercise any options, receive any payment or vest in any right with respect to any award pending a determination by the Company of whether an act has been committed which could constitute the basis for a termination for "cause" as provided in this Section 10.2.

11. Death

11.1 Notwithstanding any other provision of the Plan, if any Optionee dies holding any Options which have not been fully exercised, his personal representative, heirs or legatees may, at any time within 60 days of grant of probate of the will, or letters of administration of the estate of the decedent, or within one year

after the date of such death, whichever is the lesser time (notwithstanding the normal expiry date of the Options) exercise the Options with respect to the unexercised balance of the Shares subject to the Options.

12. Retirement

12.1 Notwithstanding any other provision of the Plan, if any Optionee shall retire, or terminate his employment or other capacity with the Company with the consent of the Board under circumstances equating retirement, while holding an Option which has not been fully exercised, such Optionee may exercise the Option at any time during the unexpired term of the Option.

13. Changes in Shares

13.1 In the event the authorized share capital of the Company as presently constituted is consolidated into a lesser number of Shares or is subdivided into a greater number of Shares, the number of Shares for which Options are outstanding will be decreased or increased proportionately as the case may be, and the Option Price per Share will be adjusted accordingly and the Optionees will have the benefit of any stock dividend declared during the period within which the said Optionee held his Options. Should the Company amalgamate or merge with any other company or companies (the right to do so being hereby expressly reserved) whether by way of arrangement, sale of assets and undertakings or otherwise, then and in each such case the number of shares of the resulting corporation to which any Options relate will be determined as if the Options had been fully exercised prior to the effective date of the amalgamation or merger and the Option Price per Share will be correspondingly increased or decreased, as applicable.

14. Effect of a Take-Over Bid

14.1 If a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company 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 Company, within the meaning given to "control person" in the *Securities Act* (British Columbia), the Company will, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all 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 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 Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Shares received upon such exercise, or in the case of Section 14.1(b) hereof, the Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Option will be reinstated as if it had not been exercised and the terms upon which such Shares were to become vested pursuant to this Section will be reinstated. If any Shares are returned to the Company under this Section 14, the Company will immediately refund the exercise price to the Optionee for such Shares.

15. Acceleration of Expiry Date

15.1 If an Offer is made by an offeror at any time when an Option granted under the Plan remains unexercised, in whole or in part, the Committee may, upon notifying each Optionee of full particulars of

the Offer, declare all Shares issuable upon the exercise of Options granted under the Plan to be vested and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan be accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

16. Effect of a Change of Control

16.1 If a Change of Control, as hereinafter defined, occurs, all Shares subject to each outstanding Option will become vested, whereupon such Option may be exercised in whole or in part by the Optionee.

16.2 "**Change of Control**" means the acquisition by any person, or by any person and a Joint Actor, whether directly or indirectly, of voting securities as defined in the *Securities Act* (British Columbia) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than 30% of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company. "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in the *Securities Act* (British Columbia).

17. Exchange Policy Applies

17.1 The Plan and the granting and exercise of any Options hereunder are also subject to such other terms and conditions as are set out from time to time in the TSX Company Manual and in the instruments of any securities commission having authority, and the TSX Company Manual will be deemed to be incorporated into and become a part of the Plan. In the event of an inconsistency between the provisions of the TSX Company Manual and of the Plan, the provisions of the TSX Company Manual will govern.

18. Cancellation and Re-granting of Options

18.1 The Committee may, with the consent of the Optionee, cancel an existing Option, and re-grant the Option at an Option Price determined in the same manner as provided in Section 6 hereof, subject to the prior approval of the TSX.

19. Amendment or Discontinuance

19.1 Subject to Section 4.4, the Board may alter, suspend or discontinue the Plan, but may not, without the approval of the shareholders of the Company, make any alteration which would (a) increase the aggregate number of Shares subject to Option under the Plan except as provided in Section 13 or (b) decrease the Option Price except as provided in Section 18. Notwithstanding the foregoing, the terms of an existing Option may not be altered, suspended or discontinued without the consent in writing of the Optionee.

20. Disinterested Shareholder Approval

20.1 Subject to any applicable TSX policy and applicable definitions defining the disinterested shareholders, the approval of the disinterested shareholders of the Company must be obtained:

- (a) before the number of Shares under Options to Insiders within any 12-month period may exceed 10% of the outstanding common share capital of the Company, and before the number of Common shares reserved for issuance pursuant to Options granted to Insiders exceed, at any one time, 10% of the outstanding common share capital of the Company;

- (b) for the reduction in the exercise price per share of Options previously granted to Insiders.
- (c) before the number of Shares under Options at any specific time to any one Optionee may exceed 5% of the issued and outstanding common share capital of the Company (determined at the date the Options were granted) in any 12-month period.

21. Interpretation

21.1 The Plan will be construed according to the laws of the Province of British Columbia and federal laws of Canada applicable therein.

22. Liability

22.1 No member of the Committee or any director, officer, Consultant or employee of the Company will be personally liable for any act taken or omitted in good faith in connection with the Plan.

23. Representation by Optionees

23.1 Upon each exercise of an Option, the Optionee (including for the purposes of this section 23 each other person who, pursuant to sections 9, 10 and 11 hereof, may purchase Shares under an Option granted to a director, officer, Consultant or employee of the Company) shall, if so requested by the Company, represent and agree in writing that:

- (a) the person is, or the Optionee was, a director, officer, Consultant or employee of the Company or a director, officer, Consultant or employee of an associated, affiliated, controlled or subsidiary company and has not been induced to purchase the Shares by expectation of employment or continued employment;
- (b) the person is purchasing the Shares pursuant to the exercise of such Option as principal for the Optionee's own account (or if such Optionee is deceased, for the account of the estate of such deceased Optionee);
- (c) the person will, prior to and upon any sale or disposition of any of the Shares purchased pursuant to the exercise of such Option, comply with all applicable securities laws and any other federal, provincial or state laws or regulations to the extent that such laws or regulations are applicable to such sale or disposition; and
- (d) such Optionee (or such other person) will not offer, sell or deliver any of the Shares purchased pursuant to the exercise of such Option, directly or indirectly, in the United States or to any citizen or resident of, or any corporation, partnership or other entity created or organized in or under the laws of, the United States, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source, except in compliance with United States federal and state securities laws. The Optionee acknowledges that the Company has the right to place any restriction or legend on any securities issued pursuant to this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the United States *Securities Act* of 1933 and may not be offered or sold in the United States unless registration or an exemption from registration is available.

- (e) The Company may employ other procedures and require further documentation from an Optionee to ensure compliance with all applicable laws.
- (f) The issue and sale of Shares pursuant to any Options granted under the Plan is conditioned on such issue and sale being made in compliance with applicable securities laws, and the Company shall have no obligation to issue or sell any Shares pursuant to the exercise of any Options unless the Board determines in its sole discretion that such issue and sale will be made in compliance with applicable securities laws.

24. Effective Date

24.1 This Plan becomes effective on the date of its approval by the shareholders of the Company.

25. Miscellaneous

25.1 Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or shareholder approval.

25.2 Nothing contained in the Plan nor in any Options granted thereunder shall be deemed to give any Optionee any interest or title in or to any Shares or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the exercise of any Options.

25.3 The Plan does not give any director, officer, Consultant or employee of the Company the right or obligation to become or to continue to serve as a director, officer, Consultant or employee of the Company, as the case may be, of the Company or any of its subsidiaries. The awarding of Options to any director, officer, Consultant or employee of the Company is a matter to be determined solely in the discretion of the Board or, if applicable, the Committee. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Company or any of its subsidiaries other than as specifically provided for in the Plan.

25.4 No fractional Shares shall be issued upon the exercise of Options and, accordingly, if an Optionee would become entitled to a fractional Share upon the exercise of any Options, such Optionee shall only have the right to purchase the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

25.5 The grant of any Options shall be conditional upon the director, officer, Consultant or employee of the Company to whom the Options are granted completing, signing and delivering to the Company all documents as may be required by the regulatory authorities having jurisdiction.

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