



**NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR**

**IN RESPECT OF THE**

**2015 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**OF**

**KAIZEN DISCOVERY INC.**

To be held at  
The Vancouver Club, University Room,  
915 West Hastings Street, Vancouver, British Columbia

**On June 30, 2015 at 10:00 AM (Vancouver Time)**

Dated May 21, 2015



**KAIZEN DISCOVERY INC.**

**NOTICE OF THE 2015 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

May 21, 2015

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of **Kaizen Discovery Inc.** (the "**Company**") will be held at The Vancouver Club, University Room, 915 West Hastings Street in Vancouver, British Columbia, Canada, on June 30, 2015 at 10:00 am (Vancouver Time) for the following purposes:

1. to receive the financial statements of the Company for the year ended December 31, 2014 together with the report of the Company's auditor thereon;
2. to appoint the auditor for the ensuing year and to authorize the directors to fix the auditor's remuneration;
3. to set the number of directors at nine (9);
4. to elect nine (9) directors;
5. to consider and, if thought fit, to approve an ordinary resolution re-approving the Company's 10% rolling Stock Option Plan;
6. to consider and, if thought fit, to approve an ordinary resolution establishing a new restricted share unit plan for the Company on a disinterested voting basis in accordance with the requirements of the TSX Venture Exchange ("**TSXV**"); and
7. to transact any other business which may properly come before the Meeting or at any adjournment or postponement thereof.

The board of directors of the Company (the "**Board**") has fixed May 12, 2015 as the record date for the determination of Shareholders entitled to notice of, and to vote at, the Meeting and at any adjournment or postponement thereof.

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

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Computershare Investor Services Inc. Attention: Proxy Tabulation Unit, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, or online via: [www.investorvote.com](http://www.investorvote.com), by 10:00 a.m. (Vancouver Time) on June 26, 2015 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time that the Meeting is to be reconvened after any adjournment of the Meeting or 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the commencement of any postponed Meeting. Shareholders can also send their proxies by fax to 1-866-249-7775 (toll-free); 1-416-263-9524 (outside Canada and the US).

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

Please note that the Company is not utilizing the notice-and-access mechanism under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting Materials to registered and beneficial shareholders.

A copy of the proposed restricted share unit plan is available for inspection at the Company’s registered office in Vancouver during regular business hours.

Dated at Vancouver, British Columbia this 21<sup>st</sup> day of May, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS OF KAIZEN DISCOVERY INC.**

*“Peter Meredith”*

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**Peter Meredith**

Chairman of the Board of Directors

*“Mary Vincelli”*

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**Mary Vincelli**

Corporate Secretary

**KAIZEN DISCOVERY INC.  
MANAGEMENT INFORMATION CIRCULAR**

**GENERAL INFORMATION**

This management information circular (the "**Information Circular**") is furnished to the holders of Common Shares (each a "**Shareholder**" collectively, the "**Shareholders**") of Kaizen Discovery Inc. ("**Kaizen**" or the "**Company**") by management of the Company in connection with the solicitation of proxies to be voted at the annual general and special meeting of the Shareholders (the "**Meeting**") to be held at The Vancouver Club, University Room, 915 West Hastings Street in Vancouver, British Columbia, Canada on June 30, 2015 at 10:00 am (Vancouver Time), or at any adjournment or postponement thereof, for the purposes set forth in the Notice of Meeting that accompanies this Information Circular. Unless otherwise stated, this Information Circular contains information as at May 21, 2015.

All references to "\$" in this Information Circular mean Canadian dollars unless otherwise indicated.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by the Company will be conducted by mail and may be supplemented by telephone, electronic or other personal contact to be made without special compensation by the directors, officers and regular employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company.

This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such a solicitation.

**Appointment of Proxy**

A Shareholder whose name appears on the certificate(s) representing its shares (the "**Registered Shareholders**") are entitled to notice of, and to vote, at the Meeting. A Shareholder is entitled to one vote for each Common Share that such Shareholder held on May 12, 2015 (the "**Record Date**") on the resolutions to be voted upon at the Meeting, and any other matter to properly come before the Meeting.

The persons named as proxyholders (the "**Designated Persons**") in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER), OTHER THAN THE DESIGNATED PERSONS, TO ATTEND AND ACT FOR OR ON BEHALF**

## OF THAT SHAREHOLDER AT THE MEETING.

SUCH RIGHT MAY BE EXERCISED BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING. IF THE NOMINEE IS A COMPANY, THE COMPANY MUST PROVIDE THE INSTRUMENT APPOINTING THE OFFICER OR ATTORNEY WHO CAN VOTE ON BEHALF OF THE COMPANY AS PROXYHOLDER, AS THE CASE MAY BE, OR A NOTARIZED OR CERTIFIED COPY THEREOF.

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**") at their offices located at 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, by mail or fax, **or online via: [www.investorvote.com](http://www.investorvote.com)**, by 10:00 a.m. (Vancouver Time) on June 26, 2015 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof.

A proxy is not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney duly authorized in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney for the corporation. If a form of proxy is executed by an attorney for an individual Shareholder or joint Shareholders, or by an officer or attorney for a corporate Shareholder, the instrument so empowering the officer or attorney, as the case may be, or a notarized certified copy thereof, must accompany the form of proxy.

If not dated, the proxy will be deemed to have been dated the date it is mailed to Shareholders.

### **Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. **The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE DIRECTOR NOMINEES PUT FORWARD BY THE COMPANY'S BOARD OF DIRECTORS.**

The enclosed form of proxy confers discretionary authority upon the Designated Persons with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney for, the corporation; and (b) delivered either: (i) to the Company at its registered address at 654-999 Canada Place, Vancouver, British Columbia, V6C 3E1 or to the address of Computershare set forth above, at any time up to and including 10:00 a.m. (Vancouver Time) on June 26, 2015 or, if adjourned, at any reconvening thereof, or if postponed, at the commencement of the Meeting, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned, any reconvening thereof, or at the commencement of the Meeting in the case of a postponement, or (iii) by voting again by telephone, email or on the Internet before 10:00 a.m. (Vancouver Time) on June 26, 2015; (iv) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder (but not by the proxyholder of such Shareholder), or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact Computershare or their broker or other intermediary to arrange to change their voting instructions.

### **BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those Shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as of the Record Date as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

### **Non-Registered Beneficial Shareholders**

Only Registered Shareholders as of the Record Date or their duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Common shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Beneficial

Shareholders should note that only Registered Shareholders (or duly appointed proxyholders) may complete a Proxy.

This Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

### **Non-Objecting Beneficial Owners**

As permitted by NI 54-101, the Company is delivering proxy-related materials to NOBOs indirectly through its agent. The Company is not sending proxy-related materials using the notice and access system. If you are a Non-Registered Shareholder, and the Company’s agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) together with the Notice of Meeting, this Information Circular and related documents from Computershare. These VIFs are to be completed and returned to Computershare in accordance with the instructions provided. **NOBOs should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs.**

NOBOs that wish to change their vote must in sufficient time in advance of the Meeting contact Computershare to arrange to change their vote.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO’s name (or such other person as the NOBO wishes to attend and vote on the NOBO’s behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in line with the instructions provided or the NOBO must submit to the Company any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Company must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxyholder in respect of those securities. Under NI 54-101, if the Company appoints a NOBO or a nominee of the NOBO as a proxyholder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or postponement thereof. Pursuant to NI 54-101, if the Company appoints a NOBO or its nominee as proxyholder as aforesaid the Company must deposit the proxy within the timeframe specified above for the deposit of proxies if the Company obtains the instructions at least one (1) business day before the termination of that time.

### **Objecting Beneficial Owners**

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Notice of Meeting, this Information Circular and related documents (collectively, the “**Meeting Materials**”) to the clearing agencies and intermediaries for onward distribution to NOBOs. The Company is not using intermediaries, or any other form of delivery, to provide Meeting Materials to OBOs, nor does the

Company intend to pay for the cost of intermediaries to deliver the Meeting Materials to OBOs. As a result, OBOs will only receive the Meeting Materials if the OBO's intermediary assumes the cost of delivery.

All references to Shareholders in this Information Circular are to Registered Shareholders, unless specifically stated otherwise.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

Pursuant to the articles of the Company (the "**Articles**"), a quorum for the transaction of business at any meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are two persons present who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to vote at the Meeting.

Under the British Columbia *Business Corporations Act* (the "**BCBCA**") and pursuant to the Articles, a majority of not less than two-thirds ( $2/3^{\text{rds}}$ ) of the votes cast at the Meeting is required to pass all special resolutions. There are no special resolutions currently proposed at the Meeting.

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass: (i) an ordinary resolution to set the number of directors of the Board at nine (9); (ii) an ordinary resolution to elect nine (9) directors to the Board; (iii) an ordinary resolution to appoint an auditor and to authorize the directors to fix their remuneration; (iv) an ordinary resolution re-approving the Company's existing 10% rolling Stock Option Plan; and (v) an ordinary resolution to approve a new restricted share unit ("**RSU**") plan for the Company (the "**RSU Plan**"), a copy of which is attached hereto as Schedule "5", on a disinterested voting basis in accordance with the requirements of the TSXV. Other than in respect of the disinterested voting basis for the proposed RSU Plan, these matters require approval by ordinary resolution which is a simple majority of the votes cast at the Meeting by those Shareholders present in person or represented by proxy.

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

The Company is unaware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company or is a proposed nominee for election as a director of the Company (or an associate or affiliate of such director, director nominee or executive officer) at any time since the beginning of the Company's last financial year in any matter to be acted upon at the Meeting, other than the election of directors, as a participant in the Stock Option Plan of the Company, and as prospective participants in the RSU Plan (if approved at the Meeting).

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company has an authorized share capital consisting of an unlimited number of Common shares without par value (the "**Common Shares**"), and 100,000,000 Class A Preferred shares with a par value of \$1.00 each. The holders of Common Shares are entitled to receive notice of, and to attend all meetings of shareholders and to have one vote for each Common Share held, except to the extent specifically limited by the BCBCA.

As of May 21, 2015 the Company had outstanding (i) 158,331,652 fully paid and non-assessable Common Shares without par value, and (ii) nil fully paid and non-assessable Class A Preferred shares.

A holder of record of one or more Common Shares (as defined herein) on the securities register of the

Company on the Record Date who either attends the Meeting personally or deposits a proxy form in the manner and subject to the provisions described above will be entitled to vote or to have such Common Shares voted at the Meeting, except to the extent that:

- (a) the shareholder has transferred the ownership of any Common Shares after the Record Date; and
- (b) the transferee produces a properly endorsed share certificate for, or otherwise establishes ownership of, any of the transferred Common Shares and makes a demand to Computershare no later than ten (10) days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

To the knowledge of the Company's directors and executive officers, as at May 21, 2015:

- (a) the only persons who beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company, and the approximate number of Common Shares so owned, controlled or directed, and the percentage of voting shares of the Company represented by such shares; and
- (b) the aggregate share ownership by the current directors and executive officers of the Company as a group;

are as follows:

Name	Number of Voting Shares Beneficially Owned <sup>(1)</sup>	% of Shares Outstanding
HPX TechCo Inc. <sup>(2)</sup> 150 Beach Road #25-04 The Gateway West Singapore 189720	106,489,000	67.3%
Directors and Executive Officers as a Group	3,459,877	2.2%

**Notes:**

- (1) The information as to Common Shares beneficially owned, controlled or directed not being within the knowledge of the Company, its directors or officers, has been furnished by the respective Shareholders or has been extracted from the central securities register maintained by the Computershare and from insider reports available at [www.sedi.ca](http://www.sedi.ca).
- (2) HPX TechCo Inc. is an affiliate of Ivanhoe Industries LLC.

**STATEMENT OF EXECUTIVE COMPENSATION**

The executive compensation disclosure is provided in Schedule "2".

**Securities Authorized for Issuance Under Equity Compensation Plans**

Equity participation is accomplished through the Company's Stock Option Plan dated March 30, 2009 (the "**Stock Option Plan**"), a copy of which is attached hereto as Schedule "4". The Stock Option Plan is the only equity compensation plan the Company currently has in effect involving the potential issuance of securities from treasury and is intended to further align the interests of the Company's directors and employees with the Company's long term performance and the long term interests of the Company's shareholders. Prior to the adoption of the Stock Option Plan, options were granted to certain directors, officers, employees and consultants pursuant to stock option agreements.

The Company is also proposing to establish an RSU Plan under which no securities have yet been issued. See “Particulars of Matters to be Acted Upon at the Meeting – Approval of Restricted Share Unit Plan”.

The following information is as at December 31, 2014:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by the securityholders	10,614,700	\$0.67	4,243,465
Equity compensation plans not approved by the securityholders	975,000 <sup>(1)</sup>	\$0.60	N/A
<b>Total</b>	<b>11,589,700</b>	<b>\$0.67</b>	<b>4,243,465</b>

**Notes:**

- (1) Replacement Options issued in connection with the acquisition of West Cirque Resources Inc. in July 2014, all as more particularly described on page 8.

**Summary of the Stock Option Plan**

**Purpose**

The purpose of the Stock Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants, to reward such of those directors, employees and consultants as may be awarded stock options under the Stock Option Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such directors, employees and consultants to acquire Common Shares as long term investments.

**Limits of Issuance**

The aggregate number of Common Shares that may be reserved for issuance under the Stock Option Plan (together with any other securities based compensation arrangements of the Company in effect from time to time) shall be equal to 10% of total issued and outstanding Common Shares, at any given time.

In addition, the Company may not grant options to: (a) any one person in any 12 month period which could, when exercised, result in the issuance of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval (within the meaning of TSXV policies) to the grant; (b) to any one consultant in any 12 month period which could, when exercised, result in the issuance of Common Shares exceeding 2% of the issued and outstanding Common Shares of the Company; or (c) in any 12 month period, to persons employed or engaged by the Company to perform Investor Relations Activities (within the meaning of TSXV policies) which could, when exercised, result in the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding Common Shares of the Company.

*Options Terms and Exercise Price*

The Board may at any time authorize the granting of options to such eligible participants as it may select, for the number of Common Shares that it shall designate subject to the provisions of the Stock Option Plan. The term of any options granted shall be fixed no later than the date such option is granted, which shall not be more than ten years from the grant date. The exercise price per Common Share of any option shall not be less than the closing price of the Company's Common Shares traded through the facilities of the TSXV on the day preceding the date of grant, less any discount permitted by the TSXV, or such other price as may be required by the TSXV.

#### **Effect of Termination of Employment or Death**

Unless otherwise determined by the Board, if an eligible participant ceases to be employed by, or act as, a director of the Company or its affiliate: (i) as a result of death, any option held by such eligible participant at the date of death shall be exercisable only to the extent that the eligible participant was entitled to exercise the option at the date of their death and only for 12 months after such date or the expiration of the option, whichever is sooner; (ii) for any reason other than death or cause, any option held by such eligible participant at the effective date thereof shall become exercisable, only to the extent that the eligible participant was entitled to exercise the option at the date, for a period of up to 120 days thereafter or the expiration of the option, whichever is sooner; or (iii) for cause, no option held by such eligible participant will be exercisable following the date on which such eligible participant ceased to be employed or to be a director, as the case may be.

#### **Amendments**

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Stock Option Plan, to shareholder approval, the Board may from time to time amend the Stock Option Plan and the terms and conditions of any option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Stock Option Plan, any option or the Common Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any option or impair any right of any option holder pursuant to any option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the TSXV, amend the terms upon which each option shall become vested with respect to Common Shares without further approval of the TSXV, other regulatory bodies having authority over the Company, the Stock Option Plan or the Shareholders.

#### **Replacement Options Issued in Connection with the Acquisition of West Cirque**

In connection with the Company's acquisition of all of the issued and outstanding common shares and options of West Cirque Resources Ltd. ("**West Cirque**") in July 2014, the Company issued an aggregate of 1,150,000 options to purchase Common Shares of the Company ("**Replacement Options**") to certain directors and officers of West Cirque, including 100,000 Replacement Options received by John Bradford who was a director of West Cirque and the Company's Chief Geologist. There are currently 775,000 Replacement Options remaining outstanding. The Replacement Options are not assignable and their exercises prices and expiry dates are as set out below:

<b>Number of Replacement Options</b>	<b>Exercise Price per Kaizen Common Share</b>	<b>Expiry Date</b>
300,000	\$0.30	October 3, 2015
150,000	\$0.50	April 4, 2016
325,000	\$0.90	July 28, 2016

## Securities Issued and Unissued under the Stock Option Plan and under Replacement Options

As at May 21, 2015 there were 158,331,652 Common Shares of the Company issued and outstanding. The Common Shares reserved for issuance under the Stock Option Plan and those required to honour Replacement Options (and based on the current outstanding Common Shares of the Company), are as follows:

	Number of Common Shares	% of Issued and Outstanding Common Shares
Common Shares reserved for future issuance pursuant to issued and unexercised Replacement Options	775,000	0.49%
Common Shares reserved for future issuance pursuant to issued and unexercised options under the Stock Option Plan	13,376,000	8.45%
Unissued Common Shares available for future option grants under the Stock Option Plan	1,682,165	1.06%
Maximum number of Common Shares available for issuance under the Stock Option Plan	15,833,165	10%

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's most recently completed financial year, or subsequently to the date of this Information Circular, was any director, executive officer or proposed management nominee for election as a director of the Company, or any associate of any such director, executive officer or proposed nominee, indebted to the Company or any of its subsidiaries, or to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, the Company is unaware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

The Company is a party to a cost sharing agreement with Ivanhoe Mines Ltd. (TSX; IVN), Ivanhoe Energy Inc., Ivanhoe Capital Corporation, GoviEx Uranium Inc. (CSE; GXU) and I-Pulse Inc. (which is an affiliate of Kaizen). Through these agreements, the Company shares, on a cost-recovery basis, office space, furnishings, equipment and communications facilities in Vancouver and Japan. The Company also shares the costs of employing administrative and certain management personnel in these offices. In 2014, the Company's share of these costs was \$2.7 million.

## MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are not performed by a person or persons other than the directors or senior officers of the Company.

## **AUDIT COMMITTEE DISCLOSURE**

National Instrument 52-110 *Audit Committees ("NI 52-110")* of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of the Company's audit committee (the "**Audit Committee**") and its relationship with its independent auditor.

### **The Audit Committee Charter**

The Company's Audit Committee is governed by an audit committee charter. A copy of the Company's Audit Committee Charter is attached hereto as Schedule "3".

### **Composition of the Audit Committee**

The Company's Audit Committee is comprised of three directors: Terry Krepiakovich (Chair), Peter Meredith and Ali Zamani. As defined in NI 52-110, Messrs. Krepiakovich and Zamani are independent. Mr. Meredith is not independent as he is the Chairman of the Company. As a venture issuer, the Company is not required to have an audit committee that is comprised entirely of independent directors.

All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for the review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The audit committee members meet periodically with management and annually with the external auditors.

### **Relevant Education and Experience of Members of the Audit Committee**

Each of Messrs. Krepiakovich, Meredith and Zamani meet the relevant education and experience requirements set out in NI 52-110.

#### *Terry Krepiakovich*

Mr. Krepiakovich is a Chartered Accountant who has more than has 31 years of management, finance and accounting experience. He has extensive experience in the areas of audit committees and financial risk assessment. He was the Chief Executive Officer of Meryllion Resources Corporation from December 2013 to December 2014. Mr. Krepiakovich held the office of Chief Financial Officer at SouthGobi Resources Ltd. from 2006 to 2011 and at Extreme CCTV Inc. from 2000 to 2006. He is a graduate of the University of British Columbia.

#### *Peter Meredith*

Mr. Meredith is a Chartered Accountant who worked with Deloitte LLP, Chartered Accountants, for 31 years and retired as a partner in 1996. He has been a Director, Deputy Chairman and Chief Financial Officer with Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.), and was the Chairman of SouthGobi Resources Ltd. from 2009 to 2012. He serves on several boards and audit committees of public companies including, but not limited to, Great Canadian Gaming Corporation, Trevali Mining Corporation and Peregrine Diamonds Ltd.

Ali Zamani

Mr. Zamani has served as a Portfolio Manager at Gefinor Capital Management since February 2014 and as Chief Investment Officer of the GEF Opportunities Fund, an opportunistic, value-oriented, liquid public markets fund. Prior to Gefinor, Mr. Zamani was a Principal at SLZ Capital Management, from 2012 to 2013, and was a Portfolio Manager at Goldman Sachs for eight years from 2004 to 2012, focusing on the energy, materials, utilities and industrials sectors. Mr. Zamani also sits on the board of Applied Minerals, Inc., a vertically-integrated Halloysite Clay producer listed on the OTC Bulletin Board.

Mr. Zamani holds a B.S. in Economics from the Wharton School at the University of Pennsylvania where he graduated magna cum laude.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. A copy of the Company's Audit Committee Charter is attached hereto as Schedule "3".

### **External Auditor Service Fees**

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

The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

<b>Financial Year Ended December 31</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees</b>	<b>All Other Fees<sup>(3)</sup></b>
2014	\$55,000	\$29,200	Nil	\$5,100
2013	\$43,500	Nil	Nil	Nil

**Notes:**

- (1) Represents the aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit services.
- (2) For 2014, \$13,000 was paid to Deloitte LLP, the Company's Auditor, for the third quarter interim financial review, and \$16,200 was paid to Crowe MacKay LLP ("**Crowe MacKay**"), the Company's former auditor, for the interim financial review of the first two quarters of 2014.
- (3) Represents the aggregate fees billed in each of the last two fiscal years by the Company's external auditor for products and services not included under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees". \$5,100 represents fees paid to Crowe MacKay for financial work during the acquisition of West Cirque Resources Ltd.

**Exemption**

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

**CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "**Disclosure Instrument**") requires the Company to annually disclose its corporate governance practices in accordance with Form 58-101F2.

The following is a discussion of each of the Company's corporate governance practices for which disclosure is required by the Disclosure Instrument. Unless otherwise indicated, the Board believes that its corporate governance practices are consistent with those recommended.

**Director Independence**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgement.

The Company has a Board that is comprised of a majority of independent directors.

*Independent Directors.* The Board is currently comprised of ten directors, six of whom are independent. The Board has determined that David Huberman, Robert Hanson, Akiko Levinson, Ali Zamani, Terry Krepiakevich and Kuang Ine Lu are independent directors.

*Non-Independent Directors.* The Board has determined that Peter Meredith and B. Matthew Hornor are not independent directors because Mr. Meredith is the Company's Chairman and Mr. Hornor is the President and Chief Executive Officer. The Board has determined that David Birkenshaw is not independent as he acted as Chairman to Concordia (the predecessor company to Kaizen) from March 2013 to December 2013. The Board has determined that Edward Flood is not independent as Mr. Flood acted as Chief Executive Officer to Concordia Resource Corp. ("**Concordia**") (the predecessor company to Kaizen) to February 2013 and as Chairman to March 2013. Mr. Flood will not be standing for re-election in 2015.

The fact that the majority of Board members are independent facilitates the Board's exercise of independent supervision over management. At this time, the independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, the Board will, in appropriate circumstances, meet separately from non-independent directors and the independent directors will have open and candid discussions among themselves.

**Other Directorships**

Certain of the Company's directors are directors of other reporting issuers (or the equivalent in Canada or foreign jurisdictions), as set out in the following table:

<b>Name</b>	<b>Name of Reporting Issuer</b>
David Birkenshaw	Planet Mining Exploration Inc. Meryllion Resources Corporation
R. Edward Flood <sup>(1)</sup>	East Asia Minerals Corporation Western Lithium USA Corporation Baker Steel Royalty Trust
B. Matthew Hornor	Western Lithium USA Corp. Dusolo Fertilizers Inc.
David Huberman	Trevali Mining Corporation
Terry Krepiakevich	Alexco Resources Inc. Western Lithium USA Inc.
Akiko Levinson	Gold Canyon Resources Inc. Jipangu Inc. Novo Resources Corp.
Peter Meredith	Peregrine Diamonds Ltd Great Canadian Gaming Corporation Ivanhoe Mines Ltd. Trevali Mining Corporation
Ali Zamani	Applied Minerals, Inc.
Robert Hanson	GoviEx Uranium Inc.

**Notes:**

(1) Mr. Flood will not be standing for re-election in 2015.

## **Board Mandate**

The Board has assumed responsibility for the stewardship of the Company and has adopted a formal mandate setting out its stewardship responsibilities. A copy of the board mandate may be obtained, without charge, upon request to the Company's Corporate Secretary at 654 – 999 Canada Place, Vancouver, British Columbia, Canada V6C 3E1, telephone 604-669-6446.

## **Orientation and Continuing Education**

The Board is responsible for ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, and that they understand the nature and operation of the Company's business. In addition, the Board is responsible for providing continuing education opportunities designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of the business remains current.

Management intends to initiate a process to inform and educate the Board on a continuing basis as necessary to keep the directors up-to-date with the Company, its business and the environment in which it operates. In addition, directors will be encouraged to take courses relevant to the Company and its business, particularly with respect to corporate governance and the mining industry, at the Company's expense.

## **Ethical Business Conduct**

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

Business Conduct and Ethics (the “**Code**”) which addresses the Company’s continuing commitment to integrity and ethical behaviour. The Code is applicable to all employees, consultants, officers and directors regardless of their position in the organization, at all times and everywhere the Company does business. The Code provides that the Company’s employees, consultants, officers and directors will uphold its commitment to a culture of honesty, integrity, accountability and respect for the communities in which the Company operates. The Company requires the highest standards of professional and ethical conduct from its employees, consultants, officers and directors.

Certain members of the Board are directors or officers of, or have shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Where such a conflict involves a particular Board member (i.e. where a Board member has an interest in a material contract or material transaction involving the Company), such Board member will be required to disclose his or her interest to the Board and refrain from voting at the Board meeting of the Company considering such contract or transaction in accordance with applicable law. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest should be reported immediately to a member of senior management who is independent of the potential conflict and who will assess the issue with the advice of legal counsel. If deemed appropriate, the Company may establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

In addition the Board has adopted a whistleblower policy (the “**Whistleblower Policy**”). The Whistleblower Policy provides a procedure by which the process, mandate and responsibilities around handling complaints, whether through the whistle-blowing process or reported otherwise, be documented and approved.

Each of the Company’s directors, management and senior employees have completed or are in the process of completing an online e-learning training course relating to anti-corruption and anti-bribery.

A copy of the Code and the Whistleblower Policy may be obtained, without charge, upon request to the Company’s Corporate Secretary at 654 – 999 Canada Place, Vancouver, British Columbia, Canada V6C 3E1, telephone 604-669-6446.

### **Nomination of Directors**

The Board has a Nominating and Corporate Governance Committee consisting of David Huberman (Chair), Robert Hanson and Terry Krepiakevich, which has been established to assist the Board with the nomination of directors and to develop, monitor and implement the Company’s approach to corporate governance.

The role of the Nominating and Corporate Governance Committee is to, amongst other things: (i) identify individuals qualified to become members of the Board and Board committees; and recommend that the Board select such persons as nominees for appointment or election to the Board; (ii) develop and recommend to the Board corporate governance guidelines for the Company and make recommendations to the Board with respect to corporate governance practices; and (iii) recommend the establishment of such permanent or ad hoc committees of the Board as it deems necessary for the purposes of assisting in the corporate governance of the Company. All members shall have a working familiarity with corporate governance practices.

In fulfilling its responsibilities to identify individuals qualified to become members of the Board, the

committee will consider: (i) the independence of each nominee; (ii) the experience and background of each nominee; (iii) the skill set of each nominee relative to the balance of skills required by the Board and its committees to meet their respective mandates; (iv) the past performance of directors being considered for re-election; (v) applicable regulatory requirements; and (vi) such other criteria as may be established by the Board or the Nominating and Corporate Governance Committee from time to time.

A copy of the Nominating and Corporate Governance Committee's charter may be obtained upon request to the Company's Corporate Secretary, 654 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1, telephone (604) 669-6446.

The Nominating and Corporate Governance Committee also considers the size of the Board from time to time, and currently considers the size of the Board to be appropriate.

### **Compensation**

Refer to section titled "Compensation Discussion and Analysis" in Schedule "2" attached to this Information Circular for a description of the process by which the Board (through its Compensation Committee) determines the compensation for the Company's directors and officers and for a description of the responsibilities, powers and operations of the Compensation Committee.

### **Other Board Committees**

The Company has no other committees, other than the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

### **Assessments**

The Nominating and Corporate Governance Committee established a formal process for assessing the effectiveness of the Board as a whole, its committees and individual directors. As part of this process, directors complete a detailed questionnaire which provides for quantitative and qualitative ratings of their individual performance in key areas and seeks subjective comment in each of those areas. The Nominating and Corporate Governance Committee also reviews the results of the self-assessment process for the Board and its committees and identifies areas requiring follow-up. The Chairman of the Nominating and Corporate Governance Committee reviews individual responses on a confidential basis and provides a summary report to the Board consolidating such responses and the results of the assessment process. Action plans to follow up on any specific issues identified in the assessment process are monitored by the Nominating and Corporate Governance Committee.

The 2015 evaluation process to date has included individual director self-assessments and committee performance reviews based on 2014 performance. At this time, it is anticipated that the Board assessment will be performed later this year.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Fixing the Number of Directors and the Election of directors

The Board currently consists of ten (10) directors; however, Mr. Flood is not standing for re-election. The Company is requesting that the shareholders consider and, if thought fit, approve an ordinary resolution at the Meeting to set the number of directors of the Board at nine (9) directors for the ensuing year.

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed, all of whom are current directors of the Company:

Mr. Peter Meredith  
Mr. David Birkenshaw  
Mr. Robert Hanson  
Mr. B. Matthew Hornor  
Mr. David Huberman  
Mr. Terry John Krepiakevich  
Ms. Akiko Levinson  
Dr. Kuang Ine Lu  
Mr. Ali Zamani

**UNLESS SUCH AUTHORITY IS WITHHELD, PROXIES GIVEN PURSUANT TO THE SOLICITATION BY THE MANAGEMENT OF THE COMPANY WILL BE VOTED FOR THE NOMINEES LISTED ABOVE AND FOR FIXING THE BOARD AT NINE (9) DIRECTORS.** Management does not contemplate that any of the nominees will be unable to serve as a director.

The director tables in Schedule "1" attached to this Information Circular provide information on the nominees proposed for election to the Board. Included in these tables is information relating to each nominee's committee memberships, meeting attendance, other public company directorships, ownership of Company securities, principal occupation, business or employment and the period of time during which each has been a director of the Company. The statement as to Common Shares and other securities beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominees is in each instance based upon information furnished by the nominee concerned and is as at May 21, 2015.

### Summary of Board and Committee Meetings Held

The following table summarizes the meetings of the Board and the committees held during the year ended December 31, 2014:

	Number of Meetings
Board of Directors	9
Audit Committee	5
Compensation Committee	4
Nominating and Corporate Governance Committee	3

During 2014, eight (8) meetings of the Board were held by teleconference and one (1) meeting of the Board was held in person. Four (4) resolutions were passed in writing by the Board in lieu of a meeting. Resolutions in writing must be executed by all of the directors entitled to vote on a matter in order to be effective.

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

To the knowledge of management, except as disclosed below, no director or executive officer of the Company is, as of the date of this Information Circular, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Kaizen) that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued: (i) while such person was acting in that capacity; or (ii) after such person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

- Mr. Peter Meredith served as a director of Ivanhoe Energy Inc. (“**Ivanhoe Energy**”) from December 2007 to December 2014. On April 14, 2015, May 4, 2015 and May 6, 2015, a Cease Trade Order against Ivanhoe Energy was issued by the British Columbia, Ontario and Manitoba Securities Commissions, respectively, in respect of Ivanhoe Energy failing to file its audited financial statements and associated filings for the year ending December 31, 2014, which cease trade orders remain in effect as at the date of this Information Circular.

To the knowledge of management, except as disclosed herein, no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company is, as of the date of this Information Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, nor has any such individual become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

- Mr. Peter Meredith served as a director of Ivanhoe Energy from December 2007 to December 2014. On February 20, 2015, Ivanhoe Energy filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada). Further proceedings are pending.

To the knowledge of management, no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **2. Appointment of Auditors**

The auditors of the Company are Deloitte LLP, Chartered Accountants. Deloitte LLP has been the Company’s auditors since October 2014. At the Meeting, Shareholders will be requested to re-appoint

Deloitte LLP as auditors of the Company to hold office until the next annual general meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix the auditors' remuneration.

**UNLESS IT IS SPECIFIED IN A PROXY THAT THE SHAREHOLDER WITHHOLDS APPROVAL FOR THE APPOINTMENT OF DELOITTE LLP AS AUDITORS OF THE COMPANY FOR THE ENSUING YEAR, THE PERSONS NAMED IN THE FORM OF PROXY WILL VOTE FOR THE APPOINTMENT OF DELOITTE LLP AS AUDITORS OF THE COMPANY, TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS, AND AUTHORIZE THE BOARD TO FIX THE AUDITORS' REMUNERATION.**

### **3. Re-Approval of Stock Option Plan**

Shareholder approval for the Company's current Stock Option Plan was obtained at the annual general meeting of the Shareholders held on September 30, 2014.

Under TSXV requirements, security-based compensation arrangements which do not have a fixed maximum number of securities issuable must be approved by the listed issuer's security holders every year. Accordingly, at the Meeting the Shareholders will be asked to consider, and the directors, believing it to be in the best interests of the Company, recommend that the shareholders reapprove, the Company's Stock Option Plan and the reservation of sufficient Common Shares from treasury to provide the shares necessary for issuance upon the exercise from time to time of options granted pursuant to the Stock Option Plan.

The Stock Option Plan is in the form of a rolling stock option plan reserving for issuance upon the exercise of options granted pursuant to the Stock Option Plan a maximum of 10% of the issued and outstanding shares of the Company at any time, less any shares required to be reserved with respect to options granted by the Company prior to the implementation of the Stock Option Plan.

See for "*Summary of Stock Option Plan*" for a summary of the provisions of the Stock Option Plan.

As at December 31, 2014, 10,614,700 options were outstanding under the Stock Option Plan and as of the Record Date 13,376,000 options were outstanding under the Stock Option Plan (which in both cases excludes the outstanding Replacement Options issued in connection with the acquisition of West Cirque in July 2014, of which 975,000 and 775,000 Replacement Options were outstanding on such dates respectively).

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

**"BE IT RESOLVED**, as an ordinary resolution, that:

1. the Company's Stock Option Plan as described in the Management Information Circular of the Company dated May 21, 2015, be and is hereby ratified, approved and confirmed including the reserving for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued and outstanding shares of the Company, subject to any amendments that may be required by the TSX Venture Exchange;
2. the Company be authorized to abandon or terminate all or any part of the Stock Option Plan if the Board of the Company deems it appropriate and in the best interests of the Company to do so;
3. the Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the Stock Option Plan; and
4. any one or more of the directors and officers of the Company be authorized and

directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution.”

**THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY, IF NOT EXPRESSLY DIRECTED OTHERWISE IN SUCH INSTRUMENT OF PROXY, WILL VOTE FOR THE ORDINARY RESOLUTION TO RE-APPROVE THE PLAN.**

#### **4. Approval of Restricted Share Unit Plan**

The Company proposes to implement an RSU Plan for certain eligible participants. The TSX Venture Exchange requires that the RSU Plan receive disinterested Shareholder approval prior to its implementation.

A summary of the proposed RSU Plan is provided below.

The resolution to approve the RSU Plan is an ordinary resolution that requires approval by a simple majority of the votes cast (in person or proxy) at the Meeting, but excluding votes attaching to Common Shares beneficially owned by individual “insiders” entitled to participate in the RSU Plan and any associate or affiliate of such insiders, all in accordance with TSXV requirements.

#### **Summary of the Restricted Share Unit Plan**

Pursuant to the RSU Plan, the Board may, from time to time, grant to eligible participants, unit awards, with each unit award granted entitling an eligible participant to receive one (1) RSU. Each RSU represents the right of an eligible participant to receive one (1) Common Share or a cash payment equal to the equivalent thereof.

##### **Purpose**

The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentives inherent in share ownership by the employees, officers and directors of the Company and its affiliates who, in the judgment of the Board and the Compensation Committee, will be largely responsible for the Company’s future growth and success. Eligible participants under the RSU Plan include directors, officers, employees and consultants of the Company and any of its affiliates, each who participate in the RSU Plan voluntarily.

##### **Limits of Issuance**

The aggregate maximum number of Common Shares that may be issued pursuant to the RSU Plan is limited to 1,600,000 Common Shares.

##### **Participation Limits**

The number of options (granted under the Stock Option Plan) and unit awards granted under the RSU Plan, to any one person in any 12 month period must not exceed 5% of the issued Common Shares calculated as at the first such grant date.

The aggregate number of options (granted under the Stock Option Plan) and unit awards granted under the RSU Plan, to any one consultant in any 12 month period must not exceed 2% of the issued Common

Shares calculated at the first such grant date.

The aggregate number of options (granted under the Stock Option Plan) and unit awards granted under the RSU Plan to all persons retained to provide Investor Relations Activities (as defined by TSXV policies) must not exceed 2% of the issued Common Shares in any 12 month period calculated at the first such grant date. Unit awards granted to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of the Unit Award and with no more the 25% of the Unit Awards vesting in any three (3) month period.

### **RSU Terms**

The Board, or if authority is delegated to the Compensation Committee, that committee, may at any time authorize the grant of unit awards to such eligible participants as it may select for the number of unit awards that it shall designate subject to the provisions of the RSU Plan. Each grant of a unit award shall specify the performance period and may (but is not required to) specify performance conditions attaching to it, with such conditions to be set by the Board or the Compensation Committee. Performance conditions are additional conditions that may be imposed on a unit award that are required to be satisfied or discharged before a unit award shall vest.

### **Vesting**

Except as otherwise provided in the RSU Plan or unless otherwise determined by the Board or the Compensation Committee at the time of the grant of the unit award and subject to satisfaction of any performance conditions which may be attached to the unit award during the relevant performance period, unit awards shall vest in one-third increments, commencing on the one year anniversary of the date of grant and on each of the two anniversaries thereafter.

### **Settlement**

Provided a "blackout period" is not then in effect, and that the eligible participant does not otherwise have knowledge of a material fact or material change pertaining to the Company at the time of election, the eligible participant shall, within three (3) business days of the date of grant, notify the Company of their election to settle their unit awards on (i) a cash-basis, (ii) share-basis, or (iii) both a cash-basis and share-basis. If an eligible participant fails to make an election, the eligible participant will be deemed to have elected to settle their RSU awards on a share-basis.

If cash settlement is elected, the Company would issue that number of vested Common Shares to which the eligible participant is entitled to a licensed securities broker, who would then sell such shares in the public market and deliver the net proceeds thereof to the eligible participant. If share settlement is elected, the Company will cause the vested Common Shares to be issued in certificated form to the eligible participant within five (5) business days of vesting.

All settlement elections are irrevocable once made and may not be modified, amended or varied by either the eligible participant or the Company (unless the election becomes subsequently unlawful).

No unit award shall be settled more than ten years following its initial grant date.

### **Effect of Termination**

If an eligible participant ceases to be employed by, or act as, a director of the Company or its affiliates (or a consultant) for any reason (including death, termination for cause, termination without cause,

resignation or retirement): (i) any unvested unit awards held by such eligible participant at the date the eligible participant ceases to be an employee or director of the Company or its affiliates (or a consultant) shall be terminated as of such date; and (ii) any vested unit awards held by such eligible participant at the date the eligible participant ceases to be an employee or director of the Company or its affiliates (or a consultant) and which has not yet been settled, shall be settled within thirty (30) days of such date. If a unit award has performance conditions attached to it which remain unsatisfied at the date an eligible participant ceases to be an employee, officer or director of the Company or its affiliates (or a consultant), then such unit awards shall be deemed to not have vested.

### **Transferability**

Any unit awards or RSUs accruing to any eligible participant shall not be transferable except by will or by the laws of descent and distribution. All benefits and rights granted under the RSU Plan may only be exercised by the eligible participant during their lifetime.

### **Amendments**

The Board may amend the terms of the RSU Plan without shareholder approval, including for the purposes of changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in the RSU Plan; changes to the vesting, provisions of unit awards, performance conditions or performance period; changes to the authority and role of the Compensation Committee under the RSU Plan; and any other matter relating to the RSU Plan and the unit awards granted thereunder.

The Compensation Committee also has the power to amend the terms of the RSU Plan without shareholder approval, for the purposes of: changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in the RSU Plan; and changes to the vesting, provisions of unit awards, performance conditions or performance period.

Notwithstanding the foregoing, the powers of the Board and the Compensation Committee shall be limited in those circumstances set forth in the RSU Plan as requiring shareholder approval or approval of the TSXV.

Any amendment to the RSU Plan or a unit award requires prior approval of the TSXV, unless the amendment imposes additional performance conditions. As well, any amendment to an outstanding unit award or RSU held by an insider requires Disinterested Shareholder Approval (as defined by TSXV policies).

The text of the ordinary resolution reads as follows:

**“BE IT RESOLVED**, as an ordinary resolution, that:

1. the Restricted Share Unit Plan as described in the Management Information Circular of the Company dated May 21, 2015, is hereby ratified, approved and confirmed, including the reserving for issuance under such plan of a maximum of 1,600,000 Common Shares;
2. the Company be authorized to abandon or terminate all or any part of the Restricted Share Unit Plan if the Board deems it appropriate and in the best interests of the Company to do so;
3. The Company is authorized to grant unit awards in accordance with the terms and conditions of the RSU Plan;

4. Any director or officer of the Company is authorized to execute and deliver all other documents and do all other acts and things as may be necessary or desirable to give effect to this resolution; and
5. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution.”

**THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY, IF NOT EXPRESSLY DIRECTED OTHERWISE IN SUCH INSTRUMENT OF PROXY, WILL VOTE FOR THE ORDINARY RESOLUTION TO APPROVE THE RESTRICTED SHARE UNIT PLAN.**

#### **DIRECTORS' APPROVAL**

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

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available free of charge through the Company's website at [www.kaizendiscovery.com](http://www.kaizendiscovery.com) or through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com). This includes the Company's comparative financial statements and management's discussion and analysis for its most recently completed quarter and financial year, which may be viewed on the SEDAR website. Shareholders may contact the Company directly to receive copies of information relating to it, including its financial statements and management's discussion and analysis, without charge, upon written or oral request to Mary Vincelli, Corporate Secretary, Suite 654-999 Canada Place, Vancouver, British Columbia, V6C 3E1, or by telephone at (604) 687-8765 (not a toll-free number).

Dated at Vancouver, British Columbia this 21<sup>st</sup> day of May, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS OF KAIZEN DISCOVERY INC.**

*"Peter Meredith"*

\_\_\_\_\_  
**Peter Meredith**

Chairman of the Board of Directors

*"Mary Vincelli"*

\_\_\_\_\_  
**Mary Vincelli**

Corporate Secretary

## SCHEDULE 1 – DIRECTORS TABLES

 <p><b>Peter Meredith</b> British Columbia, Canada Age: 72</p> <p><b>Director Since:</b> December 2013</p> <p><b>Director Status:</b> Non-Independent<sup>(1)</sup></p> <p><b>Areas of Experience:</b> Board International Finance Mining Industry Public Capital Markets</p>	<p>Peter Meredith has been a Director of Kaizen and its Chairman since December 2013. He has served as a Director of Ivanhoe Mines Ltd. (formerly Ivanplats Limited) since 1998.</p> <p>Mr. Meredith served as the Chief Financial Officer of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) from May 2004 to May 2006, and from June 1999 to November 2001, and as its Deputy Chairman from May 2006 to April 2012 where he was involved in overseeing the company's business development and corporate relations. He was a member of Turquoise Hill's Board of Directors until May 2013. Mr. Meredith was also Chairman of SouthGobi Resources Ltd. from October 2009 to September 2012 and Chief Executive Officer from June 2007 to October 2009.</p> <p>Mr. Meredith spent 31 years with Deloitte LLP, Chartered Accountants, and retired as a partner in 1996. Mr. Meredith was certified as a Chartered Accountant by the Canadian Institute of Chartered Accountants (1968).</p>					
<b>Principal Occupation, Business or Employment<sup>(3)</sup></b>						
<p>President and Chief Executive Officer, Global Mining Management Corporation (April 2006 to May 2013); Deputy Chairman of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) (May 2006 to April 2012); Chairman, SouthGobi Resources Ltd. (October 2009 to September 2012) and Chief Executive Officer (June 2007 to October 2009)</p>						
<b>Board/Committee Membership:</b>	<b>Meeting Attendance:</b>	<b>Public Board Membership:</b>				
		<b>Company:</b>	<b>Since:</b>			
Board of Directors	9 of 9	100%	Peregrine Diamonds Ltd	2013		
Audit Committee	5 of 5	100%	Great Canadian Gaming Corporation	2003		
<b>Total:</b>	<b>14 of 14</b>	<b>100%</b>	Ivanhoe Mines Ltd.	1998		
			Trevali Mining Corporation	2013		
<b>Common Shares Beneficially Owned, Controlled or Directed:<sup>(3)</sup></b>						
Common Shares						
40,000						
<b>Options Held:</b>						
Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised <sup>(4)</sup>
January 20, 2015	January 20, 2020	100,000	25,000/ 75,000	\$0.30	100,000	Nil
January 4, 2014	January 4, 2019	400,000	160,000/ 240,000	\$0.63	400,000	Nil



**David Birkenshaw**  
Ontario, Canada  
Age: 60

**Director Since:**  
November 2012<sup>(5)</sup>

**Director Status:**  
Non-Independent<sup>(1)</sup>

**Areas of Experience:**  
Board  
International Finance  
Mining Industry  
Public Capital Markets

David Birkenshaw has been the President and Chief Executive Officer of Birkenshaw & Company Ltd. since its formation in 1989. He was a Senior Vice President and Director of PricewaterhouseCoopers Securities LLP specializing in mergers, acquisitions and related financial advisory work in mining and marine transport industries from 1998 to 2000. Mr. Birkenshaw, through Birkenshaw & Company Ltd. has acted as a merchant banker, making significant investments across a broad range of industry sectors.

**Principal Occupation, Business or Employment<sup>(3)</sup>**

Chairman, Meryllion (December 2013 to present); President and Chief Executive Officer, Birkenshaw & Company Ltd. (1989 to present); Chief Executive Officer, Planet Exploration (October 2012 to present).

Board/Committee Membership:	Meeting Attendance:		Public Board Membership:	
			Company:	Since:
Board of Directors	9 of 9	100%	Planet Mining Exploration Inc.	2012
<b>Total:</b>	<b>9 of 9</b>	<b>100%</b>	Meryllion Resources Corporation	2013

**Common Shares Beneficially Owned, Controlled or Directed:<sup>(3)</sup>**

Common Shares
2,858,900

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised <sup>(4)</sup>
January 20, 2015	January 20, 2020	100,000	25,000/ 75,000	\$0.30	100,000	Nil
January 4, 2014	January 4, 2019	300,000	120,000/ 180,000	\$0.63	300,000	Nil



**Robert Hanson**  
London, United Kingdom  
Age: 54

**Director Since:** December 2013

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
Board  
International Finance  
Mining Industry  
Public Capital Markets

The Hon. Robert Hanson, son of the late Lord Hanson, is the Chairman of Hanson Family Holdings, an umbrella vehicle under which various diversified interests are held including the original family business, Hanson Transport Group. Mr. Hanson's formative years were served with NM Rothschild & Sons in London, Hong Kong, Chile and Spain before joining Hanson Plc. in the 1990's where he was responsible for strategy, mergers, acquisitions and disposals. He founded Hanson Capital Limited and also Hanson Asset Management to capitalize on his family office credentials and his worldwide network of high net-worth individuals, entrepreneurs and financiers.

Mr. Hanson has served as a Director for the former Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) and SouthGobi Resources Limited. He also is the Chairman of Strand Hanson Limited, the London based NOMAD and corporate advisory firm. In addition to acting as Chairman of the Company's Compensation Committee, Mr. Hanson also is a member of the Nominating and Corporate Governance Committee.

**Principal Occupation, Business or Employment<sup>(3)</sup>**

Chairman, Hanson Family Holdings (May 2009 – present); Chairman, Strand Hanson Ltd. (October 2009 – present); Chairman, Hanson Asset Management (April 2010 – present)

Board/Committee Membership:	Meeting Attendance:		Public Board Membership:	
			Company:	Since:
Board of Directors	9 of 9	100%	GoviEx Uranium Inc.	2014
Compensation Committee (Chair)	4 of 4	100%		
Nominating and Corporate Governance Committee	3 of 3	100%		
<b>Total:</b>	<b>16 of 16</b>	<b>100%</b>		

**Common Shares Beneficially Owned, Controlled or Directed:<sup>(3)</sup>**

Common Shares

Nil

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised <sup>(4)</sup>
January 20, 2015	January 20, 2020	100,000	25,000/ 75,000	\$0.30	100,000	Nil
January 4, 2014	January 4, 2019	300,000	120,000/ 180,000	\$0.63	300,000	Nil



**B. Matthew Hornor**  
British Columbia, Canada  
Age: 44

**Director Since:** December 2013

**Director Status:**  
Non-Independent<sup>(1)</sup>

**Areas of Experience:**  
CEO/Board  
International Finance  
Mining Industry  
Public Capital Markets  
Corporate Law

As President and Chief Executive Officer and Director of Kaizen, Matthew Hornor will provide strategic leadership and will be responsible for leading the development and execution of long term strategy with a view to creating and maximizing shareholder value. Mr. Hornor has extensive experience in the mining industry where he has participated in the structuring and execution of complex financial transactions and capital raising activities. Mr. Hornor is Executive Vice President with Ivanhoe Mines Ltd. (formerly Ivanplats Limited) and was Executive Vice President, Business Development and Legal from May 2010 to December 2013. He was instrumental in ITOCHU Corporation's approximately US\$280 million investment in Ivanhoe Mines' Platreef platinum and nickel project in South Africa.

Mr. Hornor served as Vice President with Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.), based in Beijing, China. Mr. Hornor worked as a Senior Associate with the international law firm, Paul, Hastings, Janofsky & Walker, LLP in Tokyo, Japan, representing Japanese clients in out-bound cross border transactions, and top-tier U.S. investment banks in corporate finance projects and merger and acquisition transactions totaling several billion dollars in the aggregate.

Mr. Hornor is a graduate of the University of Southern California (Bachelor of Arts) and the University of Virginia School of Law (Juris Doctorate). Mr. Hornor received two Japanese Ministry of Education (Mombusho) fellowships and completed graduate and post-graduate work at Tohoku University in Sendai and at Tokyo University in Law and Economics.

**Principal Occupation, Business or Employment<sup>(3)</sup>**

President (January 2014 to present) and Chief Executive Officer (December 2013 to present), Kaizen Discovery Inc.; Executive Vice President (December 2013 to present) and Executive Vice President, Business Development and Legal (May 2010 to December 2013), Ivanhoe Mines Ltd. (formerly Ivanplats Limited); General Counsel to I-Pulse Inc. (July 2009 to present) and Vice President (July 2012 to present); Executive Vice President of GoviEx Uranium Inc. (September 2009 to February 2014) and General Counsel (February 2007 to February 2014)

Board/Committee Membership:	Meeting Attendance:		Public Board Membership:	
			Company:	Since:
Board of Directors	9 of 9	100%	Western Lithium USA Corporation	2014
<b>Total:</b>	<b>9 of 9</b>	<b>100%</b>	Dusolo Fertilizers Inc.	2014

**Common Shares Beneficially Owned, Controlled or Directed:<sup>(3)</sup>**

Common Shares

39,000

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised <sup>(4)</sup>
January 20, 2015	January 20, 2020	750,000	187,500 / 562,500	\$0.30	100,000	Nil
January 4, 2014	January 4, 2019	2,400,000	960,000 / 1,440,000	\$0.63	2,400,000	Nil



**David Huberman**  
British Columbia, Canada  
Age: 80

**Director Since:** December 2013

**Director Status:**  
Lead Independent<sup>(2)</sup>

**Areas of Experience:**  
CEO/Board  
International Finance  
Mining Industry  
Public Capital Markets

David Huberman is the President of Coda Consulting Corp., a business consulting firm. From 1972 to 1996, he was a Senior Partner of a Canadian business law firm, specializing in corporate, commercial, banking, securities, regulatory and mining law.

Mr. Huberman served as a Director of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) from September 2003 to May 2012 and as its Chairman from October 2011 to April 2012. He also has served as Executive Vice President and General Counsel of Lions Gate Entertainment Corp. and is currently Chairman of Trevali Mining Corporation.

Mr. Huberman holds a Bachelor of Laws (LLB) from the University of British Columbia and a Master of Laws (LL.D) from Harvard University.

**Principal Occupation, Business or Employment<sup>(3)</sup>**

President, Coda Consulting Corp. (1994 to present); Executive at Gibralt Capital Corp. (September 2013 to present)

Board/Committee Membership:	Meeting Attendance:		Public Board Membership:	
			Company:	Since:
Board of Directors	9 of 9	100%	Trevali Mining Corporation	2012
Nominating and Corporate Governance Committee (Chair)	3 of 3	100%		
<b>Total:</b>	<b>12 of 12</b>	<b>100%</b>		

**Common Shares Beneficially Owned, Controlled or Directed:<sup>(3)</sup>**

Common Shares

Nil

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised <sup>(4)</sup>
January 20, 2015	January 20, 2020	100,000	25,000/ 75,000	\$0.30	100,000	Nil
January 4, 2014	January 4, 2019	300,000	120,000/ 180,000	\$0.63	300,000	Nil



**Terry John Krepiakovich**  
British Columbia, Canada  
Age: 62

**Director Since:** March 2011<sup>(5)</sup>

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
CEO/Board  
International Finance  
Mining Industry  
Public Capital Markets  
International Project  
Management

Terry Krepiakovich, CA, was the Interim Chief Executive Officer of Kaizen's predecessor, Concordia Resource Corp., from March 2013 until the transaction that created Kaizen in December 2013. Prior to this, he was Chief Financial Officer of SouthGobi Resources Ltd., a Mongolia-focused coal company, from July 2006 to July 2011 and from 2000 to 2006, he was the Chief Financial Officer and Director of Extreme CCTV Inc.

In addition to acting as Chairman of Kaizen's Audit Committee, Mr. Krepiakovich also is a member of the Nominating and Corporate Governance Committee. He currently serves as a Director of Alexco Resource Corp. and Western Lithium USA Corp.

Mr. Krepiakovich is a member of the Institute of Chartered Accountants and the Institute of Corporate Directors.

**Principal Occupation, Business or Employment<sup>(3)</sup>**

Chief Executive Officer, Meryllion Resources Corporation (December 2013 to December 2014); Interim Chief Executive Officer of Concordia Resource Corp. (March 2013 to December 2013); Independent Financial Advisor (July 2011 to present); Chief Financial Officer, SouthGobi Resources Ltd. (July 2006 to July 2011)

Board/Committee Membership:	Meeting Attendance:		Public Board Membership:	
			Company:	Since:
Board of Directors	9 of 9	100%	Alexco Resources Corp.	2009
Audit Committee (Chair)	5 of 5	100%	Western Lithium USA Corporation	2011
Nominating & Corporate Governance Committee	3 of 3	100%		
<b>Total:</b>	<b>17 of 17</b>	<b>100%</b>		

**Common Shares Beneficially Owned, Controlled or Directed:<sup>(3)</sup>**

Common Shares

Nil

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised <sup>(4)</sup>
January 20, 2015	January 20, 2020	100,000	25,000/ 75,000	\$0.30	100,000	Nil
January 4, 2014	January 4, 2019	300,000	120,000/ 180,000	\$0.63	300,000	Nil
August 25, 2011	August 25, 2016	10,000	10,000 / nil	\$1.48	10,000	Nil
March 31, 2011	March 31, 2016	40,000	40,000 / nil	\$2.24	40,000	Nil



**Akiko Levinson**  
British Columbia, Canada  
Age: 60

**Director Since:** December 2013

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
CEO/Board  
International Finance  
Mining Industry  
Public Capital Markets

Akiko Levinson has been the President of Gold Canyon Resources Inc. since June 2003, a TSX-Venture listed mineral company with North American operations, and a Director of the company since 1991.

She is also a director of Novo Resources Corp., a junior gold explorer with projects in Australia; and Jipangu Inc., a Japanese gold miner with a project in Nevada.

Ms. Levinson has served as a member of Kaizen's Compensation Committee since December 2013.

**Principal Occupation, Business or Employment<sup>(3)</sup>**

President, Gold Canyon Resources Inc. (June 2003 to present)

Board/Committee Membership:	Meeting Attendance:		Public Board Membership:	
			Company:	Since:
Board of Directors	9 of 9	100%	Gold Canyon Resources Inc.	1991
Compensation Committee	4 of 4	100%	Novo Resources Corp.	2011
<b>Total:</b>	<b>13 of 13</b>	<b>100%</b>	Jipangu Inc.	2010

**Common Shares Beneficially Owned, Controlled or Directed:<sup>(3)</sup>**

Common Shares

10,000

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised <sup>(4)</sup>
January 20, 2015	January 20, 2020	100,000	25,000/ 75,000	\$0.30	100,000	Nil
January 4, 2014	January 4, 2019	300,000	120,000/ 180,000	\$0.63	300,000	Nil



**Dr. Kuang Ine Lu**  
British Columbia, Canada  
Age: 80

**Director Since:** April 2014

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
Geology  
International Finance  
Mining Industry

Dr. Lu has advised the Vancouver office of Japan Oil, Gas and Metals National Corporation (JOGMEC) on its research and assessments of exploration projects since 2003. JOGMEC is a Japanese government entity with a mandate to seek a stable supply of natural resources for Japan's industrial sector. He has more than 50 years of mineral exploration and evaluation experience in Asia, the Middle East, North and South America and Indonesia.

Dr. Lu directed the discoveries of the Formosa massive sulfide deposit in the U.S.; the placer gold zone south of Peter's Mine in Guyana; the Jason South lead-zinc zone in Canada; and the Lucky gold deposit at the Chinkaushih Mine in Taiwan.

Dr. Lu holds a Bachelor of Engineering from Wakeda University in Japan, a Master of Science and a Ph.D. in Economic Geology from the University of Tokyo.

**Principal Occupation, Business or Employment<sup>(3)</sup>**

Advisor to JOGMEC (2003 to present)

Board/Committee Membership:	Meeting Attendance:		Public Board Membership:	
			Company:	Since:
Board of Directors <sup>(6)</sup>	5 of 6	83%	Nil	N/A
<b>Total:</b>	<b>5 of 6</b>	<b>83%</b>		

**Common Shares Beneficially Owned, Controlled or Directed:<sup>(3)</sup>**

Common Shares

Nil

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised <sup>(4)</sup>
January 20, 2015	January 20, 2020	100,000	25,000 / 75,000	\$0.30	100,000	Nil
May 2, 2014	May 2, 2019	300,000	120,000 / 180,000	\$0.67	300,000	Nil



**Ali Zamani**  
New York, USA  
Age: 35

**Director Since:** December 2013

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
Board  
International Finance  
Mining Industry  
Public Capital Markets

Ali Zamani has served as a Portfolio Manager at Gefinor Capital Management since February 2014 and as Chief Investment Officer of the GEF Opportunities Fund, an opportunistic, value-oriented, liquid public markets fund. Prior to Gefinor, Mr. Zamani was a Principal at SLZ Capital Management, from 2012 to 2013, and was a Portfolio Manager at Goldman Sachs for eight years (2004 to 2012) focusing on the energy, materials, utilities and industrials sectors. Mr. Zamani also sits on the board of Applied Minerals, Inc., a vertically-integrated Halloysite Clay producer listed on the OTC Bulletin Board.

Mr. Zamani holds a B.S. in Economics from the Wharton School at the University of Pennsylvania where he graduated magna cum laude.

**Principal Occupation, Business or Employment<sup>(3)</sup>**

Portfolio Manager at Gefinor Capital Management (February 2014 to present); Principal at SLZ Capital (July 2012 to December 2013); Vice-President at Goldman Sachs (May 2004 to July 2012)

Board/Committee Membership:	Meeting Attendance:		Public Board Membership:	
			Company:	Since:
Board of Directors	9 of 9	100%	Applied Minerals, Inc.	2014
Audit Committee	5 of 5	100%		
Compensation Committee	4 of 4	100%		
<b>Total:</b>	<b>18 of 18</b>	<b>100%</b>		

**Common Shares Beneficially Owned, Controlled or Directed:<sup>(3)</sup>**

Common Shares

Nil

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised <sup>(4)</sup>
January 20, 2015	January 20, 2020	100,000	25,000/ 75,000	\$0.30	100,000	Nil
January 4, 2014	January 4, 2019	300,000	120,000/ 180,000	\$0.63	300,000	Nil

**Notes:**

- (1) See entitled "Corporate Governance Disclosure" for a description of the reasons why the Company does not consider this nominee to be independent.
- (2) "Independent" refers to the standards of independence established under Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- (3) The information as to principal occupation, business or employment of and shares beneficially owned, controlled or directed by a nominee is not within the knowledge of the management of the Company and has been furnished by the nominee.
- (4) The "Value of Unexercised Options" is calculated on the basis of the difference between the closing price of the Common Shares on the TSX Venture Exchange on May 21, 2015 (\$0.25) and the exercise price of the options multiplied by the number of unexercised options on May 21, 2015, vested and unvested.
- (5) Initially elected to the board of directors of Concordia prior to the combination of certain assets of Concordia and certain assets acquired from HPX TechCo Inc., a 100%-owned subsidiary of High Power Exploration Inc. (the "Reorganization"). In December 2013, Concordia changed its name to Kaizen.
- (6) Dr. Lu joined the Board of Directors effective April 8, 2014. The Board held six meetings after that date.

## SCHEDULE 2 – STATEMENT OF EXECUTIVE COMPENSATION

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of each person who served as the Company's Chief Executive Officer (the "CEO") or Chief Financial Officer (the "CFO") during the 2014 fiscal year, and each of the three (3) other most highly compensated executive officers of the Company and its subsidiaries for the 2014 fiscal year, whose annual aggregate compensation exceeded \$150,000 (collectively, the "NEOs"). In reviewing the information in this Schedule 2, readers are reminded that the Company was formed on December 4, 2013 through a combination of certain assets of Concordia and certain assets acquired from HPX TechCo Inc., a 100%-owned subsidiary of High Power Exploration Inc. (the "Reorganization"). Prior to the Reorganization, Concordia was a TSXV listed mineral exploration company trading under the symbol "CCN".

### Compensation Discussion and Analysis

#### *Objectives of Compensation Program*

The Board recognizes that Kaizen's performance depends on the quality of its directors and executives. To achieve its operating and financial objectives, the Company must attract, motivate and retain highly skilled directors and executives. The Board recognizes that there must be a link between compensation and business strategy and that remuneration at Kaizen must be comparable with that offered by other businesses operating in similar industries in order to ensure that the Company can retain its executives and promote a culture aimed at achieving its business objectives. Executive compensation packages are designed to attract, motivate and retain executives of the calibre necessary to manage Kaizen's operations and to align the executives' interests with the interests of the Company's shareholders and reward them for enhancing shareholder value.

The Company's policy for determining the nature and amount of remuneration for the Company's directors and executives is assessed from time to time with reference to the mineral industry marketplace, and with respect to 2014, bonus compensation in particular was awarded with significant consideration given to the successful conclusion of several financings in challenging market conditions.

The Compensation Committee is responsible for researching, assessing and making recommendations to the Board in relation to senior executive remuneration. For 2015 and going forward, the Compensation Committee intends to follow a compensation program for senior management based on general market conditions and the recommendations of an independent external consultant using equitable comparator group market analysis.

#### *Overview of the Compensation Philosophy*

- The Company's Compensation Committee was established by the Board in December 2013. Through the Compensation Committee, the Board is committed to the transparent presentation of its compensation program.
- The three principal elements of the compensation program are: (i) base salary; (ii) performance bonuses (cash and/or Common Shares); and (iii) long term incentives. The Company places relatively more emphasis on long term incentives through the grant of stock options in order to better align long term executive interest with long term shareholder value.

- Overall incentive compensation is awarded based on individual performance objectives, experience levels of the individual, responsibilities relating to the individual's position and salaries paid by the Company's peer compensation group at the time.

#### *Role of the Compensation Committee*

The Compensation Committee was formed in December 2013. The Compensation Committee oversees and sets the general guidelines and principles for the implementation of the Company's executive compensation policies, reviews the adequacy and form of compensation and/or benefits for directors and executives, assesses the individual performance of the Company's executives and makes recommendations to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of the remuneration for directors and executive officers as well as other employees and consultants. In 2014, the Board set broad performance goals for certain executives, including the CEO, and then assessed the individual achievements at the end of the year in determining the discretionary bonuses that were actually granted.

The Compensation Committee also administers and makes recommendations to the Board with respect to the Stock Option Plan (and going-forward, the RSU Plan), in compliance with applicable securities law, stock exchange and other regulatory requirements.

The CEO, B. Matthew Horner, is invited to attend committee meetings as required and to discuss senior executives' performance and remuneration packages, but does not attend meetings involving matters pertaining to his own remuneration.

The Compensation Committee may seek independent compensation advice where appropriate from external consultants in order to assist it in assessing executive remuneration levels and aligning directors and senior executive remuneration packages with comparative industry standards and prevailing market rates. The Compensation Committee has not yet engaged such external advice.

All Compensation Committee members are independent directors. All meetings of the Compensation Committee are documented in the form of meeting minutes. The Compensation Committee is made up of the following members, all of whom have experience in dealing with compensation matters:

- *Mr. Robert Hanson, Chair.* Mr. Hanson is the Chairman of Hanson Family Holdings, an umbrella vehicle under which various diversified interests are held including the original family business, Hanson Transport Group. Mr. Hanson has extensive experience in international business, having worked with NM Rothschild & Sons in London, Hong Kong, Chile and Spain as well as with his business interests in shipping, packaging and fund management. Mr. Hanson has served as a director and committee member on other public company boards including Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.), SouthGobi Resources Limited, and GoviEx Uranium Inc., where he is the Chair of its compensation committee. Mr. Hanson has regularly addressed matters of executive and director compensation, external compensation consultants and human resource professionals.
- *Akiko Levinson.* Ms. Levinson has been the President of Gold Canyon Resources Inc., a TSXV listed mineral company with North American operations since 2003, and one of its Directors since 1991. She also sits on the boards of Novo Resources Corp., a junior gold explorer with projects in Australia; and Jipangu Inc., a Japanese gold miner with a project in Nevada. During Ms. Levinson's career in the mining industry, she has had extensive experience with matters pertaining to executive management compensation.

- *Ali Zamani.* Mr. Zamani has served as a Portfolio Manager at Gefinor Capital Management since February 2014 and as Chief Investment Officer of the GEF Opportunities Fund, an opportunistic, value-oriented, liquid public markets fund. Prior to Gefinor, Mr. Zamani was a Principal at SLZ Capital Management, from 2012 to 2013, and was a Portfolio Manager at Goldman Sachs for eight years (2004 to 2012) focusing on the energy, materials, utilities and industrials sectors. Mr. Zamani also sits on the board of Applied Minerals, Inc., a vertically-integrated Halloysite Clay producer listed on the OTC Bulletin Board. Mr. Zamani has had direct experience relevant to executive compensation.

#### *Compensation Philosophy and Goals*

The Board has the responsibility of overseeing the Company's compensation program. The Board has delegated certain oversight responsibilities to the Compensation Committee but retains final authority over the compensation program and process, including approval of material amendments to or the adoption of new equity-based compensation plans and the review and approval of Compensation Committee recommendations.

The Compensation Committee oversees and sets the general guidelines and principles for the Company's executive compensation policies. It assesses the individual performance of the Company's executive officers and makes recommendations relating to compensation to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of the compensation to be paid to the Company's executive officers. The Compensation Committee bases its recommendations to the Board on its compensation philosophy and the Compensation Committee's assessment of corporate and individual performance, recruiting and retention needs.

The fundamental objective of the Company is the long-term creation and protection of shareholder value. The Company's approach is to encourage management to make decisions and take actions that will create long-term sustainable growth and long-term shareholder value.

The Company's executive compensation program is based on the following objectives:

- compensation should be guided by a pay for performance philosophy;
- compensation should be market-competitive to attract and retain the leadership talent required to drive business results;
- compensation should foster an environment of accountability and teamwork;
- compensation should be linked to corporate objectives, and individual performance in achieving those corporate objectives, while not encouraging excessive or inappropriate risk taking in order to maximize shareholder return; it should also promote sustainable growth and constantly improve the performance of the Company's activities; and
- compensation should motivate high performers to achieve exceptional levels of performance through rewards tied to performance.

#### *Compensation Decisions for 2014*

The core element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for attracting and retaining qualified senior management personnel to drive business results. The amount payable to executive management as base salary is determined primarily by the level of responsibility and the importance of the position to the Company, and by consideration of the range of salaries offered by comparable companies within the mining industry. For 2014 the Committee determined that given the current objective of the Company to closely monitor its cash requirements, no adjustments to executive salaries were recommended for

2014.

In determining the quantum of performance bonuses awarded to the CEO and Mr. Chimura, the Executive Vice President, Asia Finance, the Compensation Committee took into consideration that no broker fees or commissions were paid as a result of executive management's successful fundraising efforts in 2014. The Compensation Committee and the Board took into account the current and expected market rate for broker fees and commissions for capital raises when considering the annual bonus awards. The Board recognized executive management's outstanding efforts in achieving financing success in spite of the challenging market conditions in 2014 and without the Company incurring brokerage fees or commissions.

In awarding long term incentives during 2014, the Compensation Committee and the Board placed significantly more emphasis on incentivizing executive management through the grant of stock options in order to better align long term executive interest with long term shareholder value.

#### *Management of Risk*

In designing and implementing the Company's compensation policy, the Compensation Committee and the Board regularly assess the risks associated with the Company's policies and practices. The Compensation Committee maintains sufficient discretion and flexibility in implementing compensation decisions such that unintended consequences in remuneration can be minimized, while still allowing the Compensation Committee to be responsive to market forces in a competitive environment.

NEOs and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps or collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director in accordance with the Company's Corporate Disclosure, Confidentiality and Securities Trading Policy.

#### *Employment Agreements*

*B. Matthew Hornor.* The Company entered into an employment agreement with B. Matthew Hornor effective December 4, 2013 with regard to his employment as the Chief Executive Officer of the Company. Mr. Hornor's base salary is derived from a formula that pays him based on the percentage of working time he allocates to the Company. Mr. Hornor currently allocates 50% of his working time to the Company which results in an annual salary of \$265,000 (the "**Annual CEO Salary**"). In addition to the Annual CEO Salary, Mr. Hornor receives four weeks paid annual vacation per annum and is reimbursed for all reasonable expenses incurred in the course of performing his duties as Chief Executive Officer. The Company may terminate Mr. Hornor's employment agreement at any time without cause and if such termination occurs the Company will pay Mr. Hornor a sum equal to six months Annual CEO Salary plus an additional one month per year of service completed with the Company up to a maximum of 12 months and all outstanding and accrued vacation. In the event of a change of control, Mr. Hornor may terminate the employment agreement within six months following the effective date of a change of control by providing the Company with 30 days written notice of termination of his employment. If such termination occurs the Company shall be obligated to pay an amount equal to twelve months Annual CEO Salary.

A "change of control" is defined in Mr. Hornor's employment agreement to mean, in summary, (i) any sale, amalgamation or other transaction as a result of which an entity or group of entities becomes the owner of 50% or more of the shares of the Company or exercises control or direction over 50% or more of the shares of the Company; (ii) a sale or other disposition of all or substantially all of the assets of the Company; or (iii) a change in the composition of the Board which occurs at a single meeting of the

shareholders of the Company or upon the execution of a shareholder's resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change.

*Pierre Massé.* The Company entered into an employment agreement with Pierre Massé effective December 4, 2013 with regard to his employment as Chief Financial Officer of the Company. Mr. Massé's base salary is derived from a formula that pays him based on the percentage of working time he allocates to the Company. In 2014, Mr. Massé allocated approximately 57% of his working time to the Company which resulted in a salary of \$199,500 (the "Annual CFO Salary"). In addition to the Annual CFO Salary, Mr. Massé receives four weeks paid annual vacation per annum and is reimbursed for all reasonable expenses incurred in the course of performing his duties as Chief Financial Officer. The Company may terminate Mr. Massé's employment agreement at any time without cause and if such termination occurs the Company will pay Mr. Massé a sum equal to six months Annual CFO Salary plus an additional one month per year of service completed with the Company up to a maximum of 12 months and all outstanding and accrued vacation. In the event of a change of control, Mr. Massé may terminate the employment agreement within six months following the effective date of a change of control by providing the Company with 30 days written notice of termination of his employment. If such termination occurs, the Company shall be obligated to pay an amount equal to twelve months Annual CFO Salary. A "change of control" is defined in Mr. Massé's employment agreement in substantially the same manner as that in Mr. Hornor's employment agreement summarized above.

*Nakaba Chimura.* The Company entered into an employment agreement with Nakaba Chimura effective December 4, 2013 with regard to his employment as Executive Vice President, Asia Finance of the Company. Mr. Chimura's base salary, which is paid in Japanese Yen ("JPY"), is derived from a formula that pays him based on the percentage of working time he allocates to the Company. Mr. Chimura allocates up to 50% of his working time to the Company which results in an annual salary of up to JPY 15,000,000 (the "Annual EVP Salary"). In addition to the Annual EVP Salary, Mr. Chimura receives four weeks paid annual vacation per annum and is reimbursed for all reasonable expenses incurred in the course of performing his duties as Executive Vice President, Asia Finance. The Company may terminate Mr. Chimura's employment agreement at any time without cause and if such termination occurs the Company will pay Mr. Chimura a sum equal to six months Annual EVP Salary plus an additional one month per year of service completed with the Company up to a maximum of 12 months and all outstanding and accrued vacation. In the event of a change of control, Mr. Chimura may terminate the employment agreement within six months following the effective date of a change of control by providing the Company with 30 days written notice of termination of his employment. If such termination occurs, the Company shall be obligated to pay an amount equal to twelve months Annual EVP Salary. A "change of control" is defined in Mr. Chimura's employment agreement in substantially the same manner as that in Mr. Hornor's employment agreement summarized above.

*Anthony Abbenante.* The Company entered into an employment agreement with Anthony Abbenante effective December 4, 2013 with regard to his employment as Executive Vice President, Corporate Development and Legal of the Company. Mr. Abbenante's annual base salary was derived from a formula that paid him based on the percentage of working time he allocated to the Company. From January to July 2014, Mr. Abbenante allocated approximately 43% of his working time to the Company, which resulted in a salary of \$75,173. At the end of July 2014, Mr. Abbenante accepted an executive position with an affiliated company and, accordingly, began acting in a reduced role with the Company and was re-designated as an Executive Vice President of the Company. In January 2015, Mr. Abbenante became a Vice President, assisting the Company with capital raising efforts. As a result of his changed roles with the Company, Mr. Abbenante's employment agreement was effectively amended and from August to December 2014 he was paid US\$5,000 per month, which equated to an aggregate \$28,010 for

that 5-month period. From January 20, 2015 onwards, his base salary entitlement from the Company is US\$1,000 per month reflecting his further diminished responsibilities with the Company.

*Toby Mayo.* Toby Mayo served as the President of the Company from November 2011 to January 31, 2014. He currently does not have an employment relationship with the Company. Mr. Mayo received a severance payment of \$208,333 upon his departure from the Company on January 31, 2014.

### Option Based Rewards

The Company's Stock Option Plan is administered by the Board with the assistance of the Compensation Committee, which makes recommendations to the Board as to the recipients of options and the terms and conditions of each grant. The Board has, as at the date hereof, granted incentive stock options to its and its affiliates' officers, directors, employees and service providers to acquire a total of 14,151,000 Common Shares.

See "Summary of Stock Option Plan" for a summary of the provisions of the Stock Option Plan.

### Restricted Share Units

Provided same is adopted at the Meeting following approval of the Company's shareholders, the Company's RSU Plan will be administered by the Board with the assistance of the Compensation Committee, which will make recommendations to the Board as to the recipients of RSUs and the terms and conditions of each grant. See "Summary of the Restricted Share Unit Plan" for a summary of the provisions of the RSU Plan.

### Summary Compensation Table

The following table sets forth the total compensation paid to, or earned by, the NEOs for the Company's three most recently completed financial years. Messrs. Hornor, Massé, Chimura and Abbenante were appointed to their respective positions on December 4, 2013 upon completion of the Reorganization.

Name and Principal Position	Year Ended	Salary	Share - Based Awards	Option -Based Awards <sup>(1)</sup>	Non-equity Incentive Plan Compensation			Total Compensation
					Annual Incentive Plans	Long-term Incentive Plans	All Other Compensation	
B. Matthew Hornor <sup>(2)</sup>	2014 (Dec 31)	\$265,000	N/A	\$696,000 <sup>(14)</sup>	\$313,000 <sup>(5)</sup>	Nil	\$30,351 <sup>(6)</sup>	\$1,304,351
President, Chief Executive Officer and Director	2013 (Dec 31)	\$23,943	N/A	Nil	Nil	Nil	Nil	\$23,943
	2013 (Sept 30)	N/A	N/A	N/A	N/A	N/A	N/A	NA
	2012 (Sept 30)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pierre Massé <sup>(2)</sup>	2014 (Dec 31)	\$199,500	N/A	145,000 <sup>(14)</sup>	\$30,000 <sup>(7)</sup>	Nil	Nil	\$374,500
Chief Financial Officer	2013 (Dec 31)	\$21,195	N/A	Nil	Nil	Nil	Nil	\$21,195
	2013 (Sept 30)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012 (Sept 30)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Name and Principal Position	Year Ended	Salary	Share - Based Awards	Option - Based Awards <sup>(1)</sup>	Non-equity Incentive Plan Compensation			Total Compensation
					Annual Incentive Plans	Long-term Incentive Plans	All Other Compensation	
Nakaba Chimura <sup>(2)</sup>	2014 (Dec 31)	\$,116,106 <sup>(8)</sup>	N/A	\$217,500 <sup>(14)</sup>	\$130,000 <sup>(9)</sup>	Nil	Nil	\$463,606
Executive Vice President, Asia Finance	2013 (Dec 31)	Nil	N/A	Nil	Nil	Nil	Nil	Nil
	2013 (Sept 30)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012 (Sept 30)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Anthony Abbenante <sup>(3)</sup>	2014 (Dec 31)	\$103,183	N/A	\$232,000 <sup>(11)(14)</sup>	\$20,000 <sup>(10)</sup>	Nil	Nil	\$355,183
Vice President	2013 (Dec 31)	\$12,511	N/A	Nil	Nil	Nil	Nil	\$12,511
	2013 (Sept 30)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012 (Sept 30)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Toby Mayo <sup>(4)</sup>	2014 (Dec 31)	\$12,443	N/A	\$145,000 <sup>(13)(14)</sup>	Nil	Nil	\$208,333 <sup>(12)</sup>	\$365,776
Former President	2013 (Dec 31)	\$80,258	N/A	\$420	Nil	Nil	Nil	\$80,678
	2013 (Sept 30)	\$235,417	N/A	\$9,503	Nil	Nil	Nil	\$244,920
	2012 (Sept 30)	\$200,000	N/A	\$15,000	\$10,000	N/A	N/A	\$225,000

**Notes:**

- (1) The “grant date fair value” of options granted during the year was determined by using the Black-Scholes model for valuing options. The following weighted average assumptions were used for the purposes of valuing the options: (i) expected life = three (3) year; (ii) risk-free rate = 1.33%; (iii) exercise price = \$0.63; and (iv) volatility of share price = 71%.
- (2) Messrs. Hornor, Massé and Chimura were appointed as Chief Executive Officer, Chief Financial Officer and Executive Vice President, Asia Finance, respectively, on December 4, 2013.
- (3) Mr. Abbenante was appointed as Executive Vice President, Corporate Development and Legal on December 4, 2013 and became Vice President effective January 20, 2015. See “*Compensation Discussion and Analysis – Employment Agreements*”, above for details of Mr. Abbenante’s 2014 salary.
- (4) Mr. Mayo resigned as President of the Company on January 31, 2014
- (5) Mr. Hornor received a bonus of \$313,000, of which \$240,000 was a bonus for his role in leading the successful conclusion of several financings in 2014 in spite of challenging market conditions and the additional bonus of \$73,000 was to reflect the respective role and performance achievements in 2014 with a view to market levels of compensation and retention considerations.
- (6) Mr. Hornor received \$6,351 for a social club membership and \$24,000 in tax equalization payments.
- (7) Mr. Massé received a bonus of \$30,000 to reflect his respective role and performance achievements in 2014 with a view to market levels of compensation and retention considerations.
- (8) This amount represents the Canadian dollar value of the salary Mr. Chimura earned in 2014 using the Bank of Canada annual average exchange rate of JPY 1: \$0.01046.
- (9) Mr. Chimura received a bonus of \$130,000, of which \$100,000 was a bonus for his role in the successful conclusion of several financings in 2014 in spite of challenging market conditions and an additional bonus of \$30,000 which reflects the respective role and performance achievements in 2014 with a view to market levels of compensation and retention considerations. The bonus was paid to Mr. Chimura in JPY. The Bank of Canada monthly average exchange rate for December 2014 was JPY 1: \$0.009665.
- (10) Mr. Abbenante received a bonus of \$20,000 for his role in the successful conclusion of several financings in 2014 in spite of challenging market conditions, which was paid in US\$ at an exchange rate of US\$1: \$1.1422.
- (11) On January 20, 2015, in consequence of his reduced role with the Company, Mr. Abbenante voluntarily surrendered for cancellation 500,000 stock options without any compensation in respect of the cancellation.
- (12) Mr. Mayo received a severance payment of \$208,333 upon his departure from the Company on January 31, 2014.
- (13) This amount includes the value of 500,000 options granted January 4, 2014 of which, 400,000 unvested stock options expired in February 2014 and 100,000 vested stock options expired in May 2014 in accordance with the Stock Option Plan.
- (14) The options were granted in accordance with the Stock Option Plan and shall vest in five equal parts, each representing 20% of the options, commencing on the date of grant and on each of the four anniversaries thereafter. The stock options granted to Mr. Mayo on January 4, 2014 expired as described in note 9.

## Incentive Plan Awards

### Outstanding Share – Based Awards and Option Based Awards

The following table sets forth the options granted to the NEOs, to purchase or acquire securities of the Company outstanding at the end of the financial year ended December 31, 2014.

Name and Principal Position	Option-Based Awards				Share-Based Awards		
	Number of Common Shares underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested	Market or payout value of share-based awards that have vested
B. Matthew Hornor President, Chief Executive Officer and Director	2,400,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Pierre Massé Chief Financial Officer	500,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Nakaba Chimura Executive Vice President, Asia Finance	750,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Anthony Abbenante Vice President	800,000 <sup>(2)</sup>	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Toby Mayo <sup>(3)</sup> Former President	500,000 <sup>(4)</sup>	\$0.63	30 May 2014 <sup>(4)</sup>	Nil	N/A	N/A	N/A
	20,000	\$0.60	30 May 2014	Nil			
	40,000	\$2.24	30 May 2014	Nil			
	40,000	\$1.90	30 May 2014	Nil			

#### Notes:

- (1) The value of unexercised in-the-money options is calculated based on the difference between the market value of the underlying Common Shares as of December 31, 2014, and the exercise price of the options.
- (2) Mr. Abbenante was appointed as Executive Vice President, Corporate Development and Legal on December 4, 2013 and became Vice President effective January 20, 2015. On such date, Mr. Abbenante voluntarily surrendered for cancellation 500,000 stock options without any compensation in respect of the cancellation.
- (3) Mr. Mayo resigned as President of the Company on January 31, 2014.
- (4) Of these, 400,000 unvested stock options expired in February 2014 and 100,000 vested stock options expired in May 2014.

Subsequent to the year ended December 31, 2014, the following options were granted to the NEOs. Each of the options is exercisable at \$0.30 and expires on January 20, 2020. The options were granted in accordance with the Stock Option Plan and shall vest in four equal parts, each representing 25% of the options, commencing on the date of grant and on each of the three anniversaries thereafter. Such options are not subject to any performance goals or similar conditions.

Name and Principal Position	Number of Options Granted in January 2015
B. Matthew Hornor President, Chief Executive Officer and Director	750,000

Name and Principal Position	Number of Options Granted in January 2015
Pierre Massé Chief Financial Officer	100,000
Nakaba Chimura Executive Vice President, Asia Finance	250,000
Anthony Abbenante Vice President	Nil
Toby Mayo Former President	Nil

### Incentive Plan Awards – Value Vested or Earned during the Year

The following table sets forth the value vested or earned during the year of option-based awards, share based awards and non-equity incentive plan compensation paid to NEOs, during the most recently completed financial year.

Name	Option-based awards – Value vested during the year <sup>(1)</sup>	Share-based awards – Value earned during the year	Non-equity incentive plan compensation – Value earned during the year
B. Matthew Hornor <sup>(2)</sup> President, Chief Executive Officer and Director	Nil	N/A	\$313,000
Pierre Massé <sup>(2)</sup> Chief Financial Officer	Nil	N/A	\$30,000
Nakaba Chimura <sup>(2)</sup> Executive Vice President, Asia Finance	Nil	N/A	\$130,000
Anthony Abbenante <sup>(3)</sup> Vice President	Nil	N/A	\$20,000
Toby Mayo <sup>(4)</sup> Former President	Nil	N/A	Nil

**Notes:**

- (1) The value vested during the year is calculated as the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.
- (2) Messrs. Hornor, Massé and Chimura were appointed as Chief Executive Officer, Chief Financial Officer and Executive Vice President, Asia Finance, respectively, on December 4, 2013.
- (3) Mr. Abbenante was appointed as Executive Vice President, Corporate Development and Legal on December 4, 2013 and became Vice President effective January 20, 2015.
- (4) Mr. Mayo resigned as President of the Company on January 31, 2014.

## Termination and Change of Control Benefits

Other than what is provided for in the employment agreements for each of Messrs. Hornor, Massé, Chimura and Abbenante (see “*Compensation Discussion and Analysis – Employment Agreements*” above), the Company has no contract, agreement, plan or arrangement that provides for payments to any NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the NEO’s responsibilities.

## Director Compensation

The Board’s policy is to remunerate non-executive directors for their commitment of time, duties and responsibilities at market rates for similar companies in comparable industries. The Board reviews on an annual basis the remuneration to non-executive directors and makes determinations thereon based on market practice, workload and accountability. Independent external advice is sought when required.

The Board set an annual compensation for non-executive directors of \$24,000 commencing January 1, 2014. No other fees are payable to non-executive directors at this time, however directors are able to participate in the Stock Option Plan.

## Director Compensation Table

The following table sets forth the value of all compensation provided to non-executive directors, excluding those directors who are also NEOs, for the Company’s financial year ended December 31, 2014.

Name	Year Ended Dec. 31	Fees Earned	Share-based awards	Option-Based Awards	Non-equity Incentive Plan Compensation	All Other Compensation	Total Compensation
Peter Meredith	2014	\$24,000	N/A	\$116,000	Nil	Nil	\$140,000
David Birkenshaw	2014	\$24,000	N/A	\$87,000	Nil	Nil	\$111,000
Edward Flood <sup>(2)</sup>	2014	\$24,000	N/A	\$87,000	Nil	\$13,063 <sup>(3)</sup>	\$124,063
Robert Hanson	2014	\$24,000	N/A	\$87,000	Nil	Nil	\$111,000
David Huberman	2014	\$24,000	N/A	\$87,000	Nil	Nil	\$111,000
Terry Krepiakovich	2014	\$24,000	N/A	\$87,000	Nil	Nil	\$111,000
Akiko Levinson	2014	\$24,000	N/A	\$87,000	Nil	Nil	\$111,000
Kuang Ine Lu	2014	\$18,000	N/A	\$93,000	Nil	Nil	\$111,000
Ali Zamani	2014	\$24,000	N/A	\$87,000	Nil	Nil	\$111,000

### Notes:

- (1) Compensation for Mr. Hornor is provided in the compensation table for NEOs above. All non-executive directors have received compensation for their services as directors for the financial year commencing January 1, 2015.
- (2) Mr. Flood will not be standing for re-election in 2015.
- (3) In 2014, Mr. Flood received \$13,063 in health benefits.

## Outstanding Share – Based Awards and Option Based Awards Granted to Non-Executive Directors

The following table sets forth the options granted to non-executive directors, excluding those directors who are also NEOs, to purchase or acquire securities of the Company, and which were outstanding at the end of the financial year ended December 31, 2014.

Name	Option-Based Awards				Share-Based Awards		
	Number of Common Shares underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested	Market or payout value of share-based awards that have vested
Peter Meredith	400,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
David Birkenshaw	300,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Edward Flood <sup>(2)</sup>	300,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Robert Hanson	300,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
David Huberman	300,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Terry Krepiakovich	300,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Akiko Levinson	300,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Kuang Ine Lu	300,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A
Ali Zamani	300,000	\$0.63	4 Jan 2019	Nil	N/A	N/A	N/A

### Notes:

- (1) The value of unexercised in-the-money options is calculated based on the difference between the market value of the underlying Common Shares as of December 31, 2014, and the exercise price of the options.
- (2) Mr. Flood is not standing for re-elections at the Meeting.

Subsequent to the year ended December 31, 2014, the following options were granted to each of the non-executive directors on January 20, 2015. Each of the options is exercisable until January 20, 2020 at an exercise price of \$0.30 per share and vests in four equal parts, each representing 25% of the options, commencing on the date of grant and on each of the three anniversaries thereafter. None of the options described above are subject to any performance goals or similar conditions.

Name	Number of Options Granted in January 2015
Peter Meredith	100,000
David Birkenshaw	100,000
Edward Flood <sup>(1)</sup>	100,000
Robert Hanson	100,000
David Huberman	100,000
Terry Krepiakovich	100,000
Akiko Levinson	100,000
Kuang Ine Lu	100,000
Ali Zamani	100,000

### Notes:

- (1) Mr. Flood will not be standing for re-election in 2015.

## **SCHEDULE 3 – AUDIT COMMITTEE CHARTER**

### **KAIZEN DISCOVERY INC. (the “Company”)**

#### **AUDIT COMMITTEE CHARTER**

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company, and
  - (ii) the auditor’s report, if any, prepared in relation to those financial statements;
- (b) review the Company’s annual and interim earnings press releases before the Company publicly discloses this information;
- (c) satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures;
- (d) recommend to the board of directors:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and
  - (ii) the compensation of the external auditor;
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established;
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company;
- (h) establish procedures for:

- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor;
  - (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company; and
  - (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and Chief Financial Officer to comply with Multilateral Instrument 52-109.

### **Composition of the Committee**

The committee will be composed of three directors from the Company's board of directors, a majority of whom are not officers or employees of the Company or an affiliate of the Company.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting**

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

**SCHEDULE 4 – STOCK OPTION PLAN**



**STOCK OPTION PLAN**

**Dated March 30, 2009**

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**STOCK OPTION PLAN**  
**KAIZEN DISCOVERY INC.**

**ARTICLE 1**  
**DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

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

- (a) “**Administrator**” means, initially, the secretary of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (b) “**affiliate**” has the meaning ascribed to such term in the Exchange Corporate Finance Manual;
- (c) “**associate**” has the meaning ascribed to such term in the Securities Act;
- (d) “**Award Date**” means the date on which the Board grants a particular Option;
- (e) “**Board**” means the board of directors of the Company;
- (f) “**Change of Control**” means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities 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 fifty percent (50%) 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;
- (g) “**Company**” means Kaizen Discovery Inc.;
- (h) “**Consultant**” means an individual or Consultant Company, other than Employee or a Director, that:
  - (i) is engaged to provide on an ongoing *bona fide* basis consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,
  - (ii) provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company, and
- (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (i) “**Consultant Company**” means, for an individual consultant, a company which the individual consultant is an employee or shareholder;
- (j) “**Director**” means a director, officer, Management Company Employee of the Company or an affiliate of the Company to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (k) “**Discounted Market Price**” has the meaning ascribed to such term in the Exchange Corporate Finance Manual;
- (l) “**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Plan and their associates and affiliates
- (m) “**Early Termination Date**” has the meaning ascribed to it in paragraph 3.5;
- (n) “**Employee**” means:
  - (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
  - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or
  - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (o) “**Exchange**” means the TSX Venture Exchange or, if the Shares are no longer listed for trading on the TSX Venture Exchange, such other exchange or quotation system on which the Shares are listed or quoted for trading;

- (p) **“Exchange Corporate Finance Manual”** means the corporate finance manual published by the Exchange, as amended from time to time, or if the Shares are no longer listed for trading on the Exchange, the policies of such other exchange or quotation system on which the Shares are listed or quoted for trading;
- (q) **“Exercise Notice”** means the notice respecting the exercise of an Option in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (r) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date, subject to the provisions of the Plan relating to the vesting of Options;
- (s) **“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with paragraph 3.3;
- (t) **“Expiry Date”** means the date determined in accordance with paragraphs 3.4 and 3.8 and after which a particular Option cannot be exercised;
- (u) **“insider”** has the meaning ascribed to such term in the Securities Act;
- (v) **“Investor Relations Activities”** has the meaning ascribed to such term in the Securities Act;
- (w) **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person involved in Investor Relations Activities;
- (x) **“Market Price”** has the meaning ascribed to such term in the Exchange Corporate Finance Manual;
- (y) **“Option”** means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (z) **“Option Certificate”** means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;
- (aa) **“Option Holder”** means a Director, Employee or Consultant, or a former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;
- (bb) **“Plan”** means this stock option plan;
- (cc) **“Personal Representative”** means:

- (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so, and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- (dd) “**Securities Act**” means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof; and
- (ee) “**Share**” or “**Shares**” means, as the case may be, one or more common shares without par value in the capital of the Company.

## **1.2 Choice of Law**

The Plan is established under and the provisions of the Plan is be interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## **1.3 Headings**

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

# **ARTICLE 2 PURPOSE AND PARTICIPATION**

## **2.1 Purpose**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

## **2.2 Participation**

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. A Director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- (a) the remuneration paid to the Employee or Consultant as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;
- (b) the length of time that the Employee or Consultant has been employed or engaged by the Company;
- (c) the quality of work performed by the Employee or Consultant; and
- (d) any other factors which it may deem proper and relevant.

### **2.3 Notification of Award**

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

### **2.4 Copy of Plan**

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

### **2.5 Limitation**

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company. Participation in the Plan by an Option Holder is voluntary.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **3.1 Board to Allot Shares**

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

### **3.2 Number of Shares**

The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the Shares of the Company outstanding from time to time. Additionally, the Company shall not grant Options:

- (a) to any one person in any 12 month period which could, when exercised, result in the issuance of Shares exceeding five percent (5%) of the issued and outstanding

Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; or

- (b) to any one Consultant in any 12 month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Company; or
- (c) in any 12 month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Company.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Option expired or terminated shall again be available for the purposes of the Plan. Exercised Options reduce the number of Options available under this Plan.

### **3.3 Exercise Price**

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the closing price of the Company's Shares traded through the facilities of the Exchange on the day preceding the Award Date, less any discount permitted by the Exchange, or such other price as may be required by the Exchange. Any reduction in the exercise price of an Option held by an Option Holder who is an insider of the Company at the time of the proposed reduction will require Disinterested Shareholder Approval.

### **3.4 Term of Option**

Subject to paragraph 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

### **3.5 Termination of Option**

An Option Holder may, subject to any vesting provisions applicable to Options hereunder, exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the "**Early Termination Date**");

**(a) Death**

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee or Consultant (if he or she holds his or her Option as Employee or Consultant), the Early Termination Date shall be twelve months from the date of death of the Option Holder; or

**(b) Ceasing to Hold Office**

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Early Termination Date of the Option shall be the 120th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder ceases to be a Director of the Company but continues to be engaged by the Company as an Employee or a Consultant, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia); or
- (ii) a resolution having been passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia) removing the Director as such; or
- (iii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be a Director of the Company.

**(c) Ceasing to be an Employee or a Consultant**

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Early Termination Date of the Option shall be the 120th day following the date the Option Holder ceases to be an Employee or Consultant of the Company unless the Option Holder ceases to be an Employee or Consultant of the Company as a result of:

- (i) termination for cause or, in the case of a Consultant, breach of contract; or
- (ii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

Notwithstanding the foregoing, the Early Termination Date for Options granted to any Option Holder engaged primarily to provide Investor Relations Activities shall be the 30th following the date that the Option Holder ceases to be employed in such capacity, unless the Option Holder continues to be engaged by the Company as an Employee or Director, in which case the Early Termination Date shall be determined as set forth above.

### **3.6 Hold Period and Vesting Requirements**

The Company may grant Options without an Exchange hold period provided the Exercise Price of an Option is greater than or equal to the Market Price rather than the Discounted Market Price.

All Options granted pursuant to the Plan will be subject to such vesting requirements as may be imposed by the Board. The Option Certificate representing any such Option will disclose any vesting conditions.

### **3.7 Effect of a Take-Over Bid**

If a *bona fide* offer (an “Offer”) for Shares is made to an Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of the full particulars of the Offer, whereupon all Shares subject to Options will become vested and the Options may be exercised in whole or in part by each Option Holder so as to permit each Option Holder to tender the Shares received upon exercise of his Options, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares acquired by the Option Holder on the exercise of his Option and tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Shares received upon the exercise of such Options, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by each Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Options shall be reinstated as if they had not been exercised and the terms upon which such Shares were to become vested pursuant to paragraph 3.6 shall be reinstated. If any Shares are returned to Company under this paragraph 3.7, the Company shall immediately refund the exercise price to the Option Holder for such Shares.

### **3.8 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, declare vested all Shares issuable upon the exercise of Options granted under the Plan, and,

notwithstanding paragraphs 3.4 and 3.5, declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

### **3.9 Effect of Reorganization, Amalgamation or Merger**

If the Company is reorganized, amalgamated or merges with or into another Company, at the discretion of the Board, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Option Holder would have received upon such reorganization, amalgamation or merger if the Option Holder had exercised his Option immediately prior to the record date applicable to such reorganization, amalgamation or merger, and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

### **3.10 Effect of Change of Control**

If a Change of Control occurs, all Shares subject to each outstanding Option will become vested, subject to any required approval of the Exchange, whereupon all Options may be exercised in whole or in part by the Option Holder.

### **3.11 Assignment of Options**

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

### **3.12 Adjustments**

If, prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the “**Event**”) other shares of the Company, an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of any Option and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional Share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

### **3.13 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

If an Option Holder retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Certificate with respect to the right to purchase Shares which were not vested at the time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be

included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Option Holder.

## **ARTICLE 4 EXERCISE OF OPTION**

### **4.1 Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

### **4.2 Issue of Share Certificates**

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares purchased pursuant to the exercise of the Option. If the number of Shares purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of Shares available under the Option.

### **4.3 Condition of Issue**

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of the Exchange or any stock exchange on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully co-operate with the Company in complying with such laws, rules and regulations.

## **ARTICLE 5 ADMINISTRATION**

### **5.1 Administration**

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director or Employee of the Company such administrative duties and powers as it may see fit.

## **5.2 Interpretation**

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

## **ARTICLE 6 AMENDMENT AND TERMINATION**

### **6.1 Prospective Amendment**

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

### **6.2 Retrospective Amendment**

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted. For greater certainty, the policies of the Exchange currently require that disinterested shareholder approval be obtained for any reduction in the Exercise Price of any Option held by an insider of the Company.

### **6.3 Termination**

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination. Notwithstanding the termination of the Plan, the Company, Options awarded under the Plan, Option Holders and Shares issuable under Options awarded under the Plan shall continue to be governed by the provisions of the Plan.

#### **6.4 Agreement**

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

#### **6.5 No Shareholder Rights**

An Option Holder shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Option Holder exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

#### **6.6 Record Keeping**

The Company shall maintain a register in which shall be recorded the name and address of each Option Holder, the number of Options granted to an Option Holder, the details thereof and the number of Options outstanding.

#### **6.7 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

#### **6.8 Option Holder Status**

For stock options granted to Employees, Consultants or Management Company Employees, the Company represents that each such Option Holder will be a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

### **ARTICLE 7 APPROVALS REQUIRED FOR PLAN**

#### **7.1 Approvals Required for Plan**

Prior to its implementation by the Company, the Plan is subject to approval by the Exchange.

#### **7.2 Substantive Amendments to Plan**

Any substantive amendments to the Plan shall be subject to the Company first obtaining the approvals of:

- (a) the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange or any stock exchange on which the Shares may be listed for trading; and

- (b) the Exchange or any stock exchange on which the Shares may be listed for trading.

**ON BEHALF OF THE BOARD OF  
KAIZEN DISCOVERY INC.**

*“B. Matthew Hornor”*

B. Matthew Hornor

Director

## SCHEDULE "A"

### KAIZEN DISCOVERY INC. STOCK OPTION PLAN OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of Kaizen Discovery Inc. (the "**Company**") Stock Option Plan (the "**Plan**") and evidences that ♦ (the "**Holder**") is the holder of an option (the "**Option**") to purchase up to ♦ common shares (the "**Shares**") in the capital stock of the Company at a purchase price of \$♦ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is ♦; and
- (b) the Expiry Date of this Option is ♦.

The right to purchase Shares under the Option will vest in the Holder in four increments over the term of the Option as follows:

Dates	Cumulative Number of Shares which may be Purchased
Immediately	♦ common shares
♦	♦ common shares
♦	♦ common shares
♦	♦ common shares

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 local time in Vancouver, British Columbia on the Expiry Date, by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "Kaizen Discovery Inc." in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised. If the Optionee is an employee, consultant or management company employee, the Optionee confirms that it is a bona fide employee, consultant or management company employee, as the case may be.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

The foregoing Option has been awarded this ♦ day of ♦, 20♦.

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate and the shares issuable upon the exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the

facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ♦ [Note: Date is four months PLUS 1 day].

**KAIZEN DISCOVERY INC.**

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

**SCHEDULE "B"**

**EXERCISE NOTICE**

TO: The Administrator, Stock Option Plan  
Kaizen Discovery Inc.  
Suite 654, 999 Canada Place  
Vancouver, British Columbia, V6C 3E1

**1. Exercise of Option**

The undersigned hereby irrevocably gives notice, pursuant to the Kaizen Discovery Inc. (the "**Company**") Stock Option Plan (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) \_\_\_\_\_ of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (a) number of Shares to be acquired on exercise: \_\_\_\_\_ shares
  - (b) times the Exercise Price per Share: \$ \_\_\_\_\_
- Total Exercise Price, as enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a cheque or bank draft (circle one) in the amount of \$ \_\_\_\_\_, payable to "Kaizen Discovery Inc." in an amount equal to the total Exercise Price of the Shares, as calculated above, and directs the Company to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATED the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Witness (Print)

\_\_\_\_\_  
Name of Option Holder (Print)

**SCHEDULE 5 – RESTRICTED SHARE UNIT PLAN**



## **RESTRICTED SHARE UNIT PLAN**

Effective: ●, 2015

## RESTRICTED SHARE UNIT PLAN

•, 2015

### PART 1 INTRODUCTION

#### 1.1 Purpose

The purpose of this RSU Plan is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by the employees and directors of the Company and its Affiliates who, in the judgment of the Board and the Committee, will be largely responsible for its future growth and success.

#### 1.2 Definitions

- (a) **“Affiliate”** means a person that is affiliated within the meaning of Section 1(2) of the *Securities Act* (British Columbia), as amended, and includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities.
- (b) **“Associate”** has the meaning assigned to it in the *Securities Act* (British Columbia), as amended.
- (c) **“Award Grant Agreement”** means an agreement evidencing a Unit Award substantially in the form attached as Schedule “A”.
- (d) **“Awardee”** means a Participant that, at the relevant time, holds a Unit Award.
- (e) **“Board”** means the board of directors of the Company as it may be constituted from time to time.
- (f) **“Blackout Period”** means a period in which the trading of Shares or other securities of the Company is restricted under the Company’s Corporate Disclosure, Confidentiality and Securities Trading Policy, or under an insider trading policy or other policy of the Company then in effect.
- (g) **“Business Day”** means a day that is not a statutory holiday and a day on which banks are open in Vancouver, Canada.
- (h) **“Cash Settlement Procedures”** mean the procedure to settle vested Restricted Stock Units in cash as outlined in Section 3.3 of the RSU Plan.
- (i) **“Company”** means Kaizen Discovery Inc., a company established under the laws of British Columbia.
- (j) **“Committee”** has the meaning attributed thereto in Section 6.1.
- (k) **“Disinterested Shareholder Approval”** means the approval of a majority of the votes cast by all Shareholders at a meeting called for such purpose but excluding votes attaching to Shares beneficially owned by (i) the Person that holds the Unit Award or Restricted Share Unit that is the subject of an amendment under consideration at a

meeting of Shareholders, (ii) individual Insiders entitled to participate in this RSU Plan, in the case of its implementation or an amendment to this RSU Plan, where such amendment requires a meeting of Shareholders to approve, and (iii) in the case of (ii) any Associates of the persons identified in (ii).

- (l) **“Eligible Consultants”** means those individuals defined in TSXV Policy 4.4 as a “Consultant” and includes a “Consultant Company” within the meaning of such policy, as such policy may be amended, supplemented or replaced, from time to time,
- (m) **“Eligible Directors and Officers”** means those individuals defined in TSXV Policy 4.4 as a “Director”, as amended, supplemented or replaced, from time to time.
- (n) **“Eligible Employees”** means those individuals defined in TSXV Policy 4.4 as an “Employee”, as amended, supplemented or replaced, from time to time.
- (o) **“Insider”** has the meaning assigned to it in the *Securities Act* (British Columbia), as amended, and also includes an Associate or Affiliate of any person who is an Insider.
- (p) **“Investor Relations Activities”** has the meaning given such term in TSXV Policy 1.1, as amended, supplemented or replaced, from time to time.
- (q) **“Participant”** means, in respect of this RSU Plan, persons that are Eligible Employees, Eligible Directors and Officers, or Eligible Consultants, who participate in this RSU Plan voluntarily.
- (r) **“Performance Conditions”** means any conditions imposed on a Unit Award, and in both cases, which are required to be satisfied or discharged during the Performance Period in order that a Unit Award shall vest.
- (s) **“Performance Period”** means the period of time during which Performance Conditions must be satisfied or discharged following which the Unit Award shall terminate unvested.
- (t) **“Restricted Share Units”** means the right of an Awardee to receive one (1) Share or a cash payment equal to the equivalent for one (1) Share, following the Vesting Period of a Unit Award and satisfaction of any required Performance Conditions in the Performance Period, subject to the terms and provisions set forth in this RSU Plan and the applicable Award Grant Agreement.
- (u) **“RSU Plan”** means this Restricted Share Unit Plan, as amended from time to time.
- (v) **“Settlement Election”** has the meaning attributed thereto in Section 2.5.
- (w) **“Share Settlement Procedures”** means the procedure to settle vested Restricted Stock Units in Shares as outlined in Section 3.4 of the RSU Plan.
- (x) **“Stock Option Plan”** means the Stock Option Plan of the Company in effect from time to time, as such plan may be amended, varied or replaced.
- (y) **“Tax Act”** means the *Income Tax Act* (Canada), as amended from time to time.
- (z) **“TSXV”** means the TSX Venture Exchange.
- (aa) **“Shares”** means the common shares of the Company.

- (bb) **“Unit Award”** means an award of a Restricted Share Unit(s) under this RSU Plan.
- (cc) **“Vesting Period”** means the period of time which must pass as set out in Section 3.1 before which a Unit Award entitles the Awardee to the settlement of such Restricted Share Units.

## **PART 2 UNIT AWARD GRANTS**

### **2.1 Participation**

Unit Awards may only be granted to Participants provided that the participation is voluntary. A Participant will not be entitled to receive the grant of a Unit Award after the date that the Participant ceases to be an Eligible Director and Officer, or an Eligible Employee, or an Eligible Consultant, in each case for any reason.

### **2.2 Grant of Unit Awards**

Either (i) the Board, on the recommendation of the Committee, or (ii) the Committee if such authority is delegated by the Board, may at any time authorize the granting of Unit Awards to such Participants as it may select for the number of Unit Awards that it shall designate, subject to the provisions of this RSU Plan. Each grant of a Unit Award shall specify the Performance Period and, the Performance Conditions (if any) attached to it, and the Vesting Period applicable to the Unit Award (if different than as provided pursuant to Section 3.1.)

The date that a Unit Award is granted shall be (i) the date such grant was approved by the Committee for recommendation to the Board, provided the Board approves such grant; or (ii) for a grant of a Unit Award not approved by the Committee for recommendation to the Board, the date such grant was approved by the Board, or (iii) if authority is delegated to the Committee, the date the grant was approved by the Committee.

Each Unit Award granted shall entitle the Participant to receive one (1) Restricted Share Unit.

### **2.3 Considerations in Granting Unit Awards**

In determining the Participants to whom Unit Awards may be granted and the number of Unit Awards, the Board or Committee may take into account the following factors:

- (a) compensation data for comparable benchmark positions among the Company's competitors;
- (b) the duties and seniority of the Participant;
- (c) the performance of the Participant in the current or prior year;
- (d) individual and/or departmental contributions and potential contributions to the success of the Company; and
- (e) such other factors as the Committee shall deem relevant in connection with accomplishing the purposes of this RSU Plan.

### **2.4 Performance Period and Performance Conditions**

A grant of a Unit Award may, but is not required to, have Performance Conditions attached to it, which conditions may be attached to the Unit Award by the Board or the Committee, and in

each case, such conditions may be based on conditions recommended to the Board or the Committee by senior management.

## **2.5 Settlement Elections**

Provided a Blackout Period is not then in effect, and that the Participant does not otherwise have knowledge of a material fact or material change (as those terms are defined in the *Securities Act* (British Columbia) at the time of the following election (and which the Company may request be certified in writing by the Participant), the Participant shall, within three (3) Business Days of the grant of the Unit Award send written notice to the Company choosing whether it wishes the Unit Awards to be subject to Cash Settlement Procedures or Share Settlement Procedures (the “**Settlement Election**”).

If a Blackout Period is in effect at the time the Participant would otherwise make the Settlement Election, or the Participant has knowledge of a material fact or material change that has not been generally disclosed, such election shall be made on the first Business Day after the date that the Blackout Period is lifted or the material fact or material change is generally disclosed.

A Participant may choose to settle their Restricted Stock Units by electing to use both the Cash Settlement Procedure and the Share Settlement Procedure, and if so, must specify which Unit Awards are to be subject to the relevant procedure. If such Participant fails to elect in the manner outlined above, the Unit Awards will be deemed to be subject to the Share Settlement Procedures.

All Settlement Elections, once made, are irrevocable and may not be changed, modified, amended or varied by the Participant or the Company unless the election chosen shall have subsequently become unlawful.

## **2.6 Grant Agreements**

Each Unit Award grant to a Participant shall be evidenced by an Award Grant Agreement with terms and conditions consistent with this RSU Plan and as approved by the Board or the Committee, as applicable (which terms and conditions need not be the same in each case and may be changed from time to time, subject to this RSU Plan, and the approval of any material changes by the TSXV or such other exchange or exchanges on which the Shares are then traded).

## **2.7 No Assurance of Future Unit Awards**

For greater certainty and without limiting the discretion conferred on the Board and the Committee, the Committee or the Board’s decision to approve the grant of a Unit Award in any year shall not require the Committee or the Board to approve the grant of a Unit Award to any Participant in any other year; nor shall the Committee or the Board’s decision with respect to the size or terms and conditions of a Unit Award in any year require it to approve the grant of a Unit Award of the same size or with the same Performance Period, Performance Conditions or other terms and conditions to any Participant in any other year. No Participant has any claim or right, legal or equitable, to be receive a Unit Award grant from the Company.

# **PART 3 VESTING AND SETTLEMENT OF UNIT AWARDS**

## **3.1 Vesting**

Except as otherwise provided in this RSU Plan or as otherwise determined by the Board or the Committee at the time of the grant of a Unit Award, and subject to satisfaction of any associated

Performance Conditions set out in a Participant's Award Grant Agreement during the relevant Performance Period, a Unit Award granted pursuant to Part 2 shall vest as follows:

- (a) as to 1/3<sup>rd</sup> of the Unit Award of Restricted Share Units, on the day which is the first anniversary of the grant date of the Unit Award;
- (b) as to the next 1/3<sup>rd</sup> of the Unit Award of the Restricted Share Units, on the day which is the second anniversary of the grant date of the Unit Award;
- (c) and as to the final 1/3<sup>rd</sup> of the Unit Award of the Restricted Share Units, on the day which is the third anniversary of the grant date of the Unit Award,

but provided the Participant is and has continuously been, in the case of an Eligible Director and Officer or Eligible Employee, an Eligible Director and Officer or Eligible Employee in service with the Company, or any of its Affiliates, from the grant date until the relevant date of vesting, and in the case of an Eligible Consultant, at the discretion of the Board or Committee. For greater certainty if a Unit Award shall vest in accordance with this Section 3.1 at a time when there remains Performance Conditions outstanding that have not been discharged, the Unit Award shall be deemed to have not vested and shall only vest on the date that the Performance Conditions are satisfied, but provided such date is during the Performance Period.

### 3.2 Payment for Vested Unit Awards

Once vested, and subject to Section 6.10, Unit Awards shall be settled by the Company by a payment to the Participant in cash or in Shares in accordance with the Cash Settlement Procedures or Share Settlement Procedures, as elected by the Participant in accordance with the Settlement Election of the Participant forthwith. Following receipt of payment, the Restricted Share Units so settled shall be of no value whatsoever and shall be struck from the Participant's notional account.

### 3.3 Cash Settlement Procedures

If a Participant has chosen Cash Settlement Procedures in accordance with Section 2.5, then

- (a) the Company will instruct a licensed securities broker or dealer ("**Broker**") to sell the number of vested Shares to which the Participant is entitled;
- (b) the Company will issue the vested Shares in such name or names as is notified by the Broker such that the Broker is able to settle the sale of the vested Shares;
- (c) the Broker will sell the vested Shares as promptly as reasonably possible after the Shares are issued by the Company and in doing so, shall act in reasonable manner so as not to unduly affect the public trading market for such Shares and in order to achieve the best price reasonably possible under then prevailing market conditions;
- (d) upon completion of the sale of the vested Shares, the Broker will deliver the net proceeds achieved from the sale or sales (net of agreed brokerage costs and fees) to the Participant or the Company (as directed together with a statement of reasonable detail setting forth the sale prices achieved, costs and fees);
- (e) the Company or the Broker (as applicable) shall be entitled to, and shall, withhold any transfer fees, taxes or other withholdings required by law to be withheld from the net proceeds in accordance with Section 6.10; and

- (f) if only a portion of the vested Shares are instructed to be sold, then the Company will deliver a Share certificate to the Participant concurrently with delivery of the net proceeds, such share certificate to be issued in accordance with the Share Settlement Procedures of Section 3.4.

A Participant that chooses the Cash Settlement Procedures shall only be entitled to the amount of net cash received through the sale of vested Shares in the market, which may be more or less than the value of the Shares as at the date of vesting, the date that cash settlement is chosen, or the date the net proceeds from the sale are received by the Participant. Neither the Company nor the Broker guarantees any sale price for the vested Shares sold for the benefit of a Participant.

A Broker may request that the Participant confirm that such person does not have knowledge of a material fact or material change concerning the Company that has not been generally disclosed. Other than in respect of the foregoing communication, an Awardee or Participant may not contact or otherwise communicate with the Broker.

### **3.4 Share Settlement Procedures**

If a Participant has chosen Share Settlement Procedures in accordance with Section 2.5, then the Company will cause the vested Shares to be issued in certificated form to the Participant within five (5) Business Days of vesting.

As soon as reasonably practicable following each issuance of Shares to a Participant pursuant to this Section (or 3.3(f) if applicable), the Company will cause to be delivered to the Participant a certificate in respect of such Shares provided that, if required by applicable law or the rules and policies of the TSXV or such other exchange or exchanges on which the Shares are traded, a restrictive legend shall be inscribed on the certificate, which legend shall state that the Shares shall not be transferable for such period as may be prescribed by law or by any regulatory authority or stock exchange on which the Shares are listed.

Any Shares issued under this RSU Plan shall be considered as fully paid in consideration of past services rendered that are not less in value than the fair equivalent of money that the Company would have received if the Shares were issued for money.

### **3.5 Settlement End Date**

Notwithstanding anything to the contrary in this RSU Plan, all Unit Awards shall be settled by no later than the tenth (10<sup>th</sup>) anniversary of their date of issue, failing which all such Unit Awards shall be deemed null and void and of no further effect.

## **PART 4 EFFECT OF TERMINATION**

### **4.1 Termination**

If a Participant or Awardee ceases to be an Eligible Employee, an Eligible Director and Officer, or an Eligible Consultant for any reason (other than in the case of an Eligible Consultant, for termination of consultancy following completion of a consultancy contract), including death, termination for cause, termination without cause, resignation or retirement, or for any other reason:

- a. any unvested Unit Award held by the Participant or Awardee at the date the Participant or Awardee ceased to be an Eligible Employee, Eligible Director and Officer, or an Eligible Consultant, shall be terminated as of such date, and shall

not thereafter entitle the Participant or Awardee or its estate or legal representative to any Unit Award or Restricted Share Units or cash payment; and

- b. any vested Unit Award held by the Participant or Awardee at the date the Participant or Awardee ceased to be an Eligible Employee, Eligible Director and Officer or Eligible Consultant, and which has not yet been settled, shall be settled within thirty (30) days of such date.

If a Unit Award has Performance Conditions attached to it which remain unsatisfied at the date the Participant or Awardee ceased to be an Eligible Employee, Eligible Director and Officer or Eligible Consultant, the Unit Award shall be deemed to not have vested. The foregoing is subject to the Board or the Committee determining otherwise in accordance with Section 6.11.

## **PART 5 CHANGE OF CONTROL; REORGANIZATIONS ETC.**

### **5.1 Effect of Takeover Bid**

If a bona fide offer (the “**Offer**”) for Shares is made to an Awardee or to Shareholders generally or to a class of Shareholders which includes the Awardee, which Offer, if accepted in whole or in part, would result in the offeror becoming a ‘control person’ within the meaning of subsection 1(1) of the *Securities Act* (British Columbia) (as amended from time to time), then the Company shall, immediately upon receipt of notice of the Offer, notify each Awardee currently holding a Unit Award of the Offer, with full particulars thereof, whereupon, if all conditions to the offer are satisfied or waived, all Unit Awards shall vest and shall be deemed to have vested, and all Performance Conditions shall be deemed to have been satisfied, such that upon consummation of the Offer, all Unit Awards shall be settled in accordance with the Settlement Election chosen by the Participant.

### **5.2 Effect of Amalgamation or Arrangement**

If the Company amalgamates with, or is the subject of an arrangement with, another corporation, any Shares receivable on the exercise of a Unit Award shall instead become the right to receive the securities, property or cash which the Participant would have received upon such amalgamation or arrangement if the Participant had exercised his, her or its Unit Award immediately prior to the record date applicable to such amalgamation or arrangement, and shall be adjusted equitably and appropriately by the Board. Prior to agreeing to any such amalgamation or arrangement, the Board shall take all such steps as are necessary to ensure that such other corporation honors this Section 5.2 and the requirement that vested Awards be settled as aforementioned

### **5.3 Adjustment in Shares Subject to the RSU Plan**

If there is any change in the Shares through consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under this RSU Plan, and the Shares subject to any Unit Award, be adjusted equitably and appropriately by the Board and such adjustment shall be effective and binding for all purposes of this RSU Plan.

## **PART 6 GENERAL, INTERPRETATION and ADMINISTRATION**

### **6.1 Administration by the Committee**

Unless otherwise determined by the Board, this RSU Plan shall be administered by the Compensation Committee (the “**Committee**”) appointed by the Board (or any successor to such committee) and constituted in accordance with such Committee’s charter.

The Committee shall have the power, where consistent with the general purpose and intent of this RSU Plan and subject to the specific provisions of this RSU Plan, to:

- (a) adopt and amend rules and regulations relating to the administration of this RSU Plan and make all other determinations necessary or desirable for the efficient administration of this RSU Plan. The interpretation and construction of the provisions of this RSU Plan and related agreements by the Committee shall be final and conclusive. The Committee may correct any defect or supply any omission or reconcile any inconsistency in this RSU Plan or in any related agreement in the manner and to the extent it shall deem expedient to carry this RSU Plan into effect and it shall be the sole and final judge of such expediency; and
- (b) otherwise exercise the powers delegated to the Committee by the Board in administering this RSU Plan as set forth herein, and without limitation the Board has the authority and may delegate the power: (i) to grant Unit Award to Participants; (ii) to determine the terms, including the Performance Conditions and Performance Period, and vesting period, if any, upon such grants; (iii) to interpret this RSU Plan and all agreements entered into hereunder; (iv) to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this RSU Plan as it may from time to time deem advisable; and (v) to make all other determinations and to take all other actions in connection with the implementation and administration of this RSU Plan as it may deem necessary or advisable.

For greater certainty, any such delegation by the Board may be revoked at any time at the Board's sole discretion.

No member of the Board or any person acting pursuant to authority delegated by it hereunder, nor any member of the Committee, shall be liable for any action or determination in connection with this RSU Plan made or taken in good faith, and each member of the Board and each such person shall be entitled to indemnification by the Company with respect to any such action or determination.

## **6.2 Number of Shares**

The aggregate maximum number of Shares that may be issued pursuant to this RSU Plan is limited to 1,600,000 Shares.

## **6.3 Limitations**

### *Maximum Shares Under Security Based Compensation Arrangements*

The aggregate number of Shares that may be reserved for issuance under this RSU Plan on the grant of Unit Awards (together with any other security based compensation arrangements of the Company in effect from time to time, including its Stock Option Plan) shall not exceed 10% of the issued and outstanding Shares from time to time.

### *Participation Limits*

In no event will the number of Shares at any time reserved for issuance to any Participant under all securities based compensation arrangements exceed 5% of the Company's outstanding Shares from time to time.

The following limits apply to the operation of this RSU Plan:

- (a) the number of options (granted under the Stock Option Plan) and Unit Awards granted under this RSU Plan, to any one person in any 12 month period must not exceed 5% of the issued Shares calculated as at the first such grant date;
- (b) the aggregate number of options (granted under the Stock Option Plan) and Unit Awards granted under this RSU Plan, to any one Consultant in any 12 month period must not exceed 2% of the issued Shares calculated at the first such grant date;
- (c) the aggregate number of options (granted under the Stock Option Plan) and Unit Awards granted under this RSU Plan to all persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12 month period calculated at the first such grant date (and including any Eligible Consultant that performs Investor Relations Activities and an Eligible Director and Officer whose role or duties primarily consist of Investor Relations Activities), and
- (d) Unit Awards granted to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of the Unit Award and with no more than 25% of the Unit Awards vesting in any three (3) month period notwithstanding Section 3.1.

#### **6.4 Effective Date**

This RSU Plan is established effective on the date that this RSU Plan has been adopted by the Board (the “**Effective Date**”) provided, however, that no cash and/or Shares underlying a vested Unit Award shall be issued by the Company or paid to a Participant in accordance with this RSU Plan prior to it having received the necessary regulatory, stock exchange and shareholder approvals.

#### **6.5 Non-Transferability**

Any Unit Awards or Restricted Share Units accruing to any Participant in accordance with the terms and conditions of this RSU Plan shall not be transferable except by will or by the laws of descent and distribution. During the lifetime of a Participant all benefits and rights granted under this RSU Plan may only be exercised by the Participant.

#### **6.6 Employment**

Nothing contained in this RSU Plan shall confer upon any Participant any right with respect to employment or continuance of employment or service of any nature with the Company or any Affiliate, or interfere in any way with the right of the Company or any Affiliate to terminate the Participant's employment at any time. Participation in this RSU Plan by a Participant is entirely voluntary and Participant may decline a Unit Award at any time and/or voluntarily agree to the termination of a Unit Award previously granted at any time.

#### **6.7 Not a Shareholder**

Nothing contained in this RSU Plan nor in any Unit Award granted hereunder shall be deemed to give any Participant any interest or title in or to any Shares or any rights as a Shareholder or any other legal or equitable right against the Company, or any of its Affiliates whatsoever, including without limitation, the right to vote as a Shareholder or the right to participate in any new issue of Shares to existing holders of Shares, other than those rights relating to Shares that have been issued by the Company upon the settlement of a Restricted Share Unit in accordance with the Share Settlement Procedures.

## 6.7 Unfunded Plan

This RSU Plan shall be unfunded.

## 6.8 Record Keeping

The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Awardee;
- (b) the number of vested and unvested Unit Awards held by each Awardee;
- (c) the relevant Performance Period and Performance Conditions (if any) attached to each Unit Award; and
- (d) such other information as the Board or the Committee may determine.

## 6.9 Necessary Approvals

The obligation of the Company to issue Shares in accordance with this RSU Plan is subject to the approval of any governmental authority having jurisdiction in respect of the Shares or any exchanges on which the Shares are then listed which may be required in connection with the authorization, or issuance of such Shares by the Company. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain such approval, the obligation of the Company to issue such Shares shall terminate and if the Company can lawfully provide cash using the Cash Settlement Procedures, it shall do so, failing which the obligation and liability of the Company with respect to the Unit Award and Restricted Share Unit shall terminate, and be null and void.

## 6.10 Taxes

The Company (or the Broker if applicable) may withhold from any remuneration or consideration whatsoever payable to such Participant hereunder, any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in this RSU Plan (the “**Applicable Withholding Taxes**”). For greater certainty, unless not required under the Tax Act, no cash payment will be made nor will Shares be issued until:

- (a) An amount sufficient to cover the Applicable Withholding Taxes payable on the settlement of such Restricted Share Units has been received by the Company (or withheld by the Company pursuant to Section 3.3(e));
- (b) The Participant agrees that the proceeds it is entitled to from the sale of such number of Shares as is necessary to raise an amount equal to the Applicable Withholding Taxes, shall be delivered to the Company; or
- (c) The Participant elects in the Settlement Election to settle for cash such number of Restricted Share Units as is necessary to raise funds sufficient to cover the Applicable Withholding Taxes with such amount being withheld by the Company.

Notwithstanding the foregoing, the Company makes no representation or warranty as to the future market value of the Shares or with respect to any tax matters affecting the Participant resulting from the grant of a Unit Award or settlement of a Restricted Share Unit or transactions in the Shares. With respect to any fluctuations in the market price of Shares, neither the Company, nor any of its directors, officers, employees, shareholders or agents (including the Broker) shall be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder or their sale (as applicable) or in any other manner related to this RSU Plan. For greater certainty, no amount will be paid to, or in respect of, an Awardee under this RSU Plan or pursuant to any other arrangement, and no additional cash or Shares will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, an Awardee for such purpose.

### **6.11 Amendments to RSU Plan**

The Board (but not the Committee whose amending powers are established further below) shall have the power to, at any time and from time to time, either prospectively or retrospectively, amend, suspend or terminate this RSU Plan or any Unit Award or other award granted under this RSU Plan in any manner it may choose, but subject to this Section 6.11.

The Committee shall only have the power to, at any time and from time to time, either prospectively or retrospectively: make changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in this RSU Plan; changes to the vesting, provisions of Unit Awards, and changes to the Performance Conditions or Performance Period, in a manner it may choose if such authority is delegated to it, but subject to this Section 6.11.

The powers of the Board or the Committee, as the case may be, in this Section 6.11 shall be limited as follows:

- (a) any amendment to this RSU Plan or any Unit Award requires prior acceptance of the TSXV, unless such amendment imposes additional Performance Conditions;
- (b) if the amendment is in respect of a Unit Award or Restricted Share Unit held by an Insider, but excluding the amendment in Section 6.11(a), Disinterested Shareholder Approval is required prior to implementing the amendment; and
- (c) any amendment, suspension or termination is in accordance with applicable laws and the rules of any other stock exchange on which the Shares are listed.

If the RSU Plan is terminated, the provisions of this RSU Plan and any administrative guidelines and other rules and regulations adopted by the Board or the Committee and in force on the date of termination will continue in effect as long as any Unit Award or any rights pursuant thereto remain outstanding and, notwithstanding the termination of this RSU Plan, the Board shall remain able to make such amendments to this RSU Plan or the Unit Awards as they would have been entitled to make if this RSU Plan were still in effect.

No such amendment to the RSU Plan shall cause the RSU Plan to cease to be a plan described in section 7 of the Tax Act of any successor to such provision.

### **6.12 Compliance with Applicable Law, etc**

If any provision of this RSU Plan or any agreement entered into pursuant to this RSU Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or this RSU Plan, then such provision shall be

deemed to be amended to the extent required to bring such provision into compliance therewith.

### **6.13 Notice**

Any notice required to be given by this RSU Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by electronic transmission (email or facsimile) addressed, if to the Company, to the office of the Company in Vancouver, British Columbia, Attention: Corporate Secretary; or if to a Participant or Awardee, to such Participant or Awardee at his or her address as it appears on the books of the Company or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant or Awardee; or if to any other person, to the last known address of such person.

### **6.14 Fractional Shares**

No fractional Shares shall be delivered upon the settlement of any Restricted Share Unit under this RSU Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the settlement of a Restricted Share Unit, or from an adjustment permitted by the terms of this RSU Plan, such Participant shall only have the right to receive the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

### **6.15 Record of Approvals**

- (a) This RSU Plan, as amended and restated, was approved by a majority of the Board on ●, 2015.
- (b) This RSU Plan was approved by the shareholders on ●, 2015, at which Disinterested Shareholder Approval was obtained.

**SCHEDULE "A"**  
**RESTRICTED SHARE UNIT – AWARD GRANT AGREEMENT**

**Name:** [name of Participant]

**Date of Grant:** [insert date]

Kaizen Discovery Inc. (the "Company" or "Kaizen") has adopted the Restricted Share Unit Plan (the "RSU Plan") as a part of its compensation program. This Unit Award grant entitling the holder to Restricted Share Units is governed in all respects by the terms of the RSU Plan, and the provisions of the RSU Plan are hereby incorporated by reference. Capitalized terms used and not otherwise defined in this Award Grant Agreement shall have the meanings set forth in the RSU Plan. In the event of any discrepancy or conflict between this Grant Agreement and the RSU Plan, the RSU Plan shall govern.

**Your Grant:** The Company hereby grants to you [ ] Unit Awards entitling you to [ ] Restricted Share Units, subject to the following conditions.

**Performance Conditions:** [to be inserted]

**Vesting:** [to be inserted]

**Settlement Date:** [to be inserted]

By acceptance of this Unit Award and the underlying unvested Restricted Share Units, the undersigned acknowledges receipt of the RSU Plan and agrees hereby to become a party to and to be subject to the terms of the RSU Plan.

The undersigned further acknowledges and agrees that the Participant's abovementioned participation is voluntary.

The Participant agrees to make an irrevocable Settlement Election in accordance with Section 2.5 within

- Business Days of the grant of this Unit Award, or as otherwise provided in the RSU Plan.

**Accepted and agreed to this** \_\_\_\_ **day of** \_\_\_\_\_, \_\_\_\_\_.

•

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Name of Participant (Please Print)