



RELATED PARTY TRANSACTIONS POLICY

The board of directors of the Company (the “**Board**”), acting upon the recommendation of the Compensation, Corporate Governance and Nominating Committee (the “**Committee**”) has adopted this Related Party Transactions Policy (the “**Policy**”) in order to regulate and define the conduct of “Related Parties” (as defined herein) of the Company in their individual capacities in relation to Related Party Transactions (as defined herein). Nothing in this Policy shall regulate and define the conduct of the Related Persons with respect to affairs not involving a Related Party Transaction.

I. DEFINITIONS

“**Related Party**”: Has the meaning ascribed to such term in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and as fully described in Appendix “A” attached hereto.

“**Related Party Transaction**”: Has the meaning ascribed to such term in MI 61-101 and as fully described in Appendix “A” attached hereto.

II. PURPOSE

The Policy is intended to ensure the proper approval and reporting of transactions between the Company and any of its directors, nominees for director, executive officers or significant shareholders holders or certain entities or persons related to them. Such transactions are appropriate only if they are in the best interest of the Company and its Shareholders. Each year, the Company is required to disclose in certain continuous disclosure documents certain transactions between the Company and Related Parties as well as its policies concerning transactions with Related Parties. In addition, the Committee and the Board review any Related Party Transactions involving non-employee directors as part of the annual determination of their independence.

This policy is in addition to the provisions that address conflicts of interest in the Company’s Code of Business Conduct and Ethics.

III. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each director, nominee for director and executive officer is responsible for providing written notice to the Chief Financial Officer of any potential Related Party Transaction involving him or her or his or her immediate family member, including any additional information about the transaction that the Chief Financial Officer may reasonably request. The Chief Financial Officer, in consultation with management and with outside counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

In addition, each director, nominee for director and executive officer is required to inform the Chief Financial Officer about any involvement in any current, past and proposed Related Party Transactions for continuous disclosure purposes.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Chief Financial Officer has adequate time to obtain and review information about the proposed transaction and to refer it to the appropriate approval authority. Ratification of a Related Party Transaction after its commencement or even its completion may be appropriate in some circumstances.

IV. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Related Party Transactions will be referred to the Board for review and approval or ratification. Any member of the Board who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from voting on the approval or ratification of the Related Party Transaction. However, such member of the Board may participate in all or a portion of the Board's discussions of the Related Party Transaction, if requested by the Chair of the Board in order to provide all material information concerning the Related Party Transaction to the Board.

To review a Related Party Transaction, the Board will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve, ratify, disapprove or reject a Related Party Transaction, the Board will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the other party to the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would impair the independence of an otherwise independent director or nominee for director;
- The results of an appraisal, if any;
- Review of the valuation methodology used and alternative approaches to the valuation of the Related Party Transaction;
- The extent of the Related Party's interest in the Related Party Transaction;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

- Whether the Related Party Transaction would present an improper conflict of interest for any director, nominee for director or Executive Officer of the Company, taking into account the size of the transaction, the overall financial position of the director, nominee for director, Executive Officer or other Related Party, the direct or indirect nature of the director's, nominee's, Executive Officer's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board deems relevant; and
- Any other relevant information regarding the Related Party Transaction.

The Board may, in its sole discretion, impose such conditions as it deems appropriate on the Company or the Related Party in connection with the approval of such transaction.

In any case where the Board determines not to ratify a Related Party Transaction that has been commenced without approval, the Board may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Board has authority to modify or waive any procedural requirements of this Policy.

If the Chief Executive Officer or the President of the Company (an "**Authorized Officer**") determines that advance approval of such transaction is not practicable under the circumstances, the Board shall review, after full disclosure of the Related Party's interest in the Related Party Transaction, and, in its discretion, may ratify the transaction at the next Board meeting or at its next meeting following the date that such transaction comes to the attention of such Authorized Officer.

V. TRANSACTIONS NOT DEEMED TO BE RELATED PARTY TRANSACTIONS

Notwithstanding the foregoing, the following shall not be deemed Related Party Transactions:

- Any transaction that involves the providing of compensation to a director or executive officer in connection with his or her duties to the Company or its subsidiaries or affiliates, including the reasonable reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- Indemnification and advancement of expenses made pursuant to the Company's constating documents, if applicable.
- Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the related party.

VI. DISCLOSURE

All Related Party Transactions are to be disclosed in the Company's applicable filings as required by the *Securities Act* (British Columbia) (the "**Act**"), the TSX Venture Exchange Corporate Finance Manual, MI 61-101 or any other applicable securities regulatory rules (collectively, the "**Securities Laws**"). Furthermore, all Related Party Transactions shall be disclosed to the Audit Committee of the Board and any material Related Party Transaction shall be disclosed to the full Board in accordance with the terms of this Policy and applicable Securities Laws.

VII. CONFLICTS OF INTEREST

The Board acknowledges that there may be instances where the Company's management may seek to transact with persons (as defined in the Act) that may be directors and/or officers of the Company or share common directors and/or officers ("**Conflicted Directors**") with the Company ("**Conflicted Transactions**").

Conflicted Transactions shall be approved in accordance with the *Canada Business Corporations Act* (the "**CBCA**") as follows:

- (a) any Conflicted Transaction shall be brought to the attention of the Board;
- (b) any director who is a Conflicted Director must declare such conflict and abstain from voting on the approval of the Conflicted Transaction;
- (c) the other members of the Board who are not Conflicted Directors ("**Non-Conflicted Directors**") shall be entitled to meet *in camera* to discuss the proposed Conflicted Transaction;
- (d) the independent directors of the Board shall be entitled to meet *in camera* to discuss the proposed Conflicted Transaction; and
- (e) the Non-Conflicted Directors shall vote *in camera* to approve the Conflicted Transaction.

The Non-Conflicted Directors may determine in their sole discretion whether to implement any other necessary corporate governance measures to ensure the Conflicted Transaction, if approved, is implemented in such a manner as to comply with the CBCA and applicable Securities Laws.

VIII. ANNUAL REPORTING

On an annual basis, the Company's directors and officer's shall complete a general declaration of interest that sets out:

- (a) any businesses or organizations in which such director or officer has a material interest. For greater certainty, directors and officers must include the following: (i) entities for which such individual is a director or officer; (ii) entities in which such individual has a material financial investment (i.e. 10% or more); or (iii) entities for which a member of their immediate family may have one of the interests mentioned in (i) or (ii);

- (b) any contracts or commercial dealings between the applicable company (or any member of the group of companies) and those businesses or organizations set out in (a); and
- (c) an undertaking to promptly advise the Chief Financial Officer of any updates to the foregoing as well as any interest the director/officer or any member of his/her immediate family may have in any proposed material contract or transaction with the applicable company.

IX. LEGAL AND FINANCIAL ADVISORS

The Board shall be permitted to engage third party legal and financial advisors in order to assess any Related Party Transactions or Conflicted Transactions prior to the Board approving such transactions.

X. ADMINISTRATION OF THIS POLICY

Only the Board may revise or alter this Policy.

If you have any questions or doubts about the propriety of your intended action at any time, please check with the Chief Financial Officer of the Company before taking the action.

Approved by the Board of Directors on March 15, 2021

APPENDIX “A”

“**related party**” of an entity means a person, other than a person that is solely a bona fide lender, that, at the relevant time and after reasonable inquiry, is known by the entity or a director or senior officer of the entity to be

- (a) a control person of the entity,
- (b) a person of which a person referred to in paragraph (a) is a control person,
- (c) a person of which the entity is a control person,
- (d) a person that has
 - (i) beneficial ownership of, or control or direction over, directly or indirectly, or
 - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,
securities of the entity carrying more than 10% of the voting rights attached to all the entity's outstanding voting securities,
- (e) a director or senior officer of
 - (i) the entity, or
 - (ii) a person described in any other paragraph of this definition,
- (f) a person that manages or directs, to any substantial degree, the affairs or operations of the entity under an agreement, arrangement or understanding between the person and the entity, including the general partner of an entity that is a limited partnership, but excluding a person acting under bankruptcy or insolvency law,
- (g) a person of which persons described in any paragraph of this definition beneficially own, in the aggregate, more than 50 per cent of the securities of any outstanding class of equity securities, or
- (h) an affiliated entity of any person described in any other paragraph of this definition.

“**related party transaction**” means, for an issuer, a transaction between the issuer and a person that is a related party of the issuer at the time the transaction is agreed to, whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with connected transactions, the issuer directly or indirectly

- (a) purchases or acquires an asset from the related party for valuable consideration,
- (b) purchases or acquires, as a joint actor with the related party, an asset from a third party if the proportion of the asset acquired by the issuer is less than the proportion of the consideration paid by the issuer,

- (c) sells, transfers or disposes of an asset to the related party,
- (d) sells, transfers or disposes of, as a joint actor with the related party, an asset to a third party if the proportion of the consideration received by the issuer is less than the proportion of the asset sold, transferred or disposed of by the issuer,
- (e) leases property to or from the related party,
- (f) acquires the related party, or combines with the related party, through an amalgamation, arrangement or otherwise, whether alone or with joint actors,
- (g) issues a security to the related party or subscribes for a security of the related party,
- (h) amends the terms of a security of the issuer if the security is beneficially owned, or is one over which control or direction is exercised, by the related party, or agrees to the amendment of the terms of a security of the related party if the security is beneficially owned by the issuer or is one over which the issuer exercises control or direction,
- (i) assumes or otherwise becomes subject to a liability of the related party,
- (j) borrows money from or lends money to the related party, or enters into a credit facility with the related party,
- (k) releases, cancels or forgives a debt or liability owed by the related party,
- (l) materially amends the terms of an outstanding debt or liability owed by or to the related party, or the terms of an outstanding credit facility with the related party, or
- (m) provides a guarantee or collateral security for a debt or liability of the related party, or materially amends the terms of the guarantee or security.