



**NOTICE OF
ANNUAL GENERAL AND SPECIAL MEETING
of
SHAREHOLDERS
and
MANAGEMENT INFORMATION CIRCULAR**

Wednesday, June 24, 2026

10:00 a.m. (Eastern)

**Suite 2400 - 120 Adelaide Street West, Toronto, Ontario, Canada
and by telephone conference call**

PARAGON ADVANCED LABS INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual general and special meeting (the “Meeting”) of the shareholders of Paragon Advanced Labs Inc. (“Paragon” or the “Company”) will be held on Wednesday, June 24, 2026, at 10:00 a.m. (Eastern) at Suite 2400 - 120 Adelaide Street West, Toronto, Ontario, and by telephone conference call (see below), for the following purposes:

- (i) to receive the financial statements for the year ended December 31, 2025, and the report of our auditor on those statements;
- (ii) to set the number of, and elect, directors;
- (iii) to appoint Zeifmans LLP as auditor of Paragon;
- (iv) to approve Paragon’s omnibus equity incentive plan, as more particularly described in the accompanying management information circular; and
- (v) to consider any other proper business.

Details of all matters proposed to be put before the Meeting are set forth in the accompanying Circular and form of proxy and should be read in conjunction with this Notice.

In order to participate in the meeting via teleconference, shareholders must pre-register before Monday, June 22, 2026 at 10:00 AM (Pacific) at <https://dpre register.com/sreg/10209342/1040f972886>. Upon registration, participants will receive an individual PIN to access the meeting via teleconference, along with the dial-in instructions. Further details on voting via the teleconference facility are included in the accompanying Management Information Circular.

DATED at Toronto, Ontario, this 19th day of May, 2026.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*Peter Shippen*”

Peter Shippen

Chief Executive Officer, Secretary, Chairman and Director

Your vote is important. Whether or not you plan to attend the Meeting, we encourage you to complete and return the enclosed form of proxy indicating your voting instructions as soon as possible.

Please complete, date and sign your form of proxy and return it to our transfer agent, Odyssey Trust Company, Suite 1100, 67 Yonge St. Toronto, Ontario, M5E 1J8, Attention: Proxy Department; or by facsimile: 1-800-517-4553 – or vote online at <https://vote.odysseytrust.com> using the control number provided on the proxy form. **To be valid, a completed form of proxy must be received by our transfer agent by no later than 10:00 a.m. (Eastern) on Monday, June 22, 2026 or, if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the adjourned meeting.**

If you are not a registered shareholder, please refer to the accompanying Circular for information on how to vote your shares.

MANAGEMENT INFORMATION CIRCULAR

The information contained in this management information circular (the “**Circular**”), unless otherwise indicated, is as of May 19, 2026.

This Circular is being mailed by the management of Paragon Advanced Labs Inc. (hereinafter referred to as “Paragon” or the “Company”) to everyone who was a shareholder of record of Paragon on May 19, 2026, which is the date that has been fixed by our Board of Directors as the record date to determine shareholders who are entitled to receive notice of the annual general and special meeting.

This Circular is being mailed in connection with the solicitation of proxies by and on behalf of management for use at the annual general and special meeting (the “Meeting”) of the shareholders of Paragon being held on **Wednesday, June 24, 2026, at 10:00 a.m. (Eastern) at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, and by telephone conference call.**

In order to participate in the Meeting via teleconference, shareholders must preregister before Monday, June 22, 2026 at 10:00 AM (Pacific) at <https://dpregrister.com/sreg/10209342/1040f972886>. Upon registration, participants will receive an individual PIN to access the Meeting via teleconference, along with the dial-in instructions.

Registered shareholders and duly appointed proxy holders may participate in the Meeting via a live teleconference. Specifically, registered shareholders and duly appointed proxy holders who have properly pre-registered to participate in the meeting as outlined above will have the opportunity to participate in telephone voting, provided they have not already submitted their votes by proxy. After pre-registration has been completed, pre-registered shareholders and duly appointed proxy holders will see on screen a unique PIN they have been assigned and dial-in phone numbers they will use to join the conference call. These details will also be sent to the pre-registered shareholders and duly appointed proxy holders by email in the form of a calendar booking. It is recommended that they attempt to connect at least ten minutes prior to the scheduled start time of the Meeting.

The transfer agent for Paragon will confirm whether those pre-registered shareholders and duly appointed proxy holders have previously voted by proxy. If they choose to participate in telephone voting when they have previously voted by proxy, their proxies will be deemed to be revoked, and the results of the telephone voting will be included in the final scrutineer report of voting. See Voting by Proxy below.

All other shareholders and stakeholders who wish to attend the Meeting by teleconference for information purposes, may dial the following toll free, or international toll number approximately ten minutes prior to the commencement of the Meeting and ask the operator to join the annual and special meeting of the shareholders of Paragon Advanced Labs Inc.

Toll-free (Canada/U.S.): 1-844-763-8274, or

Toll (International): + 1-647-361-0247.

The solicitation of proxies will be primarily by mail. Certain employees, officers or directors of Paragon may also solicit proxies by telephone or in person. The cost of solicitation will be borne by Paragon.

Under our Articles, a quorum for the transaction of business at a meeting of shareholders is two individuals who are shareholders, proxy holders representing shareholders or duly authorized representatives of corporate shareholders personally present and representing shares aggregating not less than 10% of the issued shares of the Company carrying the right to vote at the Meeting. If such a quorum is not present in person or by proxy, we will reschedule the Meeting.

PART 1 – VOTING

HOW A VOTE IS PASSED

All of the matters that will come to a vote at the Meeting as described in the attached Notice of Meeting are ordinary resolutions and can be passed by a simple majority – that is, if more than half of the votes that are cast are in favor, then the resolution is approved.

See Part 3 – The Business of the Meeting for more details on the proposed resolutions to be put to shareholders at the Meeting.

WHO CAN VOTE?

If you are a registered shareholder of Paragon on May 19, 2026, you are entitled to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer's authority should be presented at the Meeting or, if attending by telephone conference call, provided to Paragon prior to commencement of the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting yourself, you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see "Voting by Proxy" below). If your shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "Non-registered Shareholders" set out below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. **We encourage all shareholders to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.**

Please note:

- Only registered shareholders, and those non-registered beneficial shareholders who appoint themselves as their proxyholder using the voting instruction form provided to them by their nominee, are entitled to attend the Meeting (either in person or by telephone conference) and vote.
- Ballot voting is not available to shareholders attending the Meeting by telephone conference.

VOTING BY PROXY

If you do not attend the Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let them decide for you. You can do this by completing a form of proxy.

In order to be valid, you must return a completed form of proxy to our transfer agent, Odyssey Trust Company, by 10:00 a.m. (Eastern) on Monday, June 22, 2026, by mail at Suite 1100 – 67 Yonge St., Toronto, Ontario, M5E 1J8, Attention: Proxy Department; or by voting online at <https://vote.odysseytrust.com> using the control number provided on the proxy form.

What is a proxy?

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

Appointing a proxyholder

You can choose any person to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder of Paragon. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares in person or by telephone conference, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder. Those persons are directors and/or officers of Paragon.

In order to participate in the meeting via teleconference as a proxyholder, your proxyholder must pre-register before Monday, June 22, 2026 at 10:00 AM (Pacific) at <https://dpre register.com/sreg/10209342/1040f972886>.

Instructing your proxy

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares at the Meeting as follows:

- ✓ **FOR the setting the number of directors at four;**
- ✓ **FOR the election of the proposed nominees as directors;**
- ✓ **FOR the re-appointment of Zeifmans LLP as the auditor of Paragon; and**
- ✓ **FOR approval of Paragon's omnibus equity incentive plan.**

For more information about these matters, see Part 3 – The Business of the Meeting. The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified on the Notice of Meeting. At the time of printing this Circular, the management of Paragon is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

Changing your mind

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting (either in person or by telephone conference); (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the registered office of Paragon at Suite 530, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8; or (d) in any other manner permitted by law.

Your proxy will only be revoked if Paragon receives a revocation by 5:00 p.m. (Eastern) on the last business day before the day of the Meeting, or any adjournment thereof, or if a revocation is delivered to the person presiding at the Meeting before it (or any adjournment thereof) commences. If you revoke your proxy and do not replace it with another proxy that is deposited with us before the deadline, you can still vote your shares, but to do so you must attend the Meeting in person.

NON-REGISTERED SHAREHOLDERS

If your shares are not registered in your own name, they are likely held in the name of a "nominee", usually a bank, trust company, securities dealer or other financial institution. Your nominee must seek your instructions as to how to vote your shares.

Accordingly, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders' meetings, you will have received this Circular from your nominee, together with a form of proxy or voting instruction form. If that is the case, **it is most important that you comply strictly with the instructions that have been given to you by your nominee on the voting instruction form.** If you have voted and wish to change your voting instructions, you should contact your nominee to discuss whether this is possible and what procedures you must follow.

If your shares are not registered in your own name, Odyssey Trust Company, Paragon's transfer agent, will not have a record of your name and, as a result, unless your nominee has appointed you as a proxyholder, will have no knowledge of your entitlement to vote. If you wish to vote at the Meeting by attending in person or by using the telephone conference call facility, please insert your own name in the space provided on the form of proxy or voting instruction form that you have received from your nominee. If you do this, you will be instructing your nominee to appoint you as proxyholder. Please adhere strictly to the signature and return instructions provided by your nominee. Our transfer agent, Odyssey Trust Company, who will serve as scrutineer for the Meeting, will register your attendance at the Meeting upon you dialing into the telephone conference call facility. See the Notice of Meeting for instructions on how to preregister and receive dial-in instructions.

The Notice of Meeting and this Circular are being sent to both registered and non-registered owners of common shares of Paragon. If you are a non-registered owner and we have sent these materials to you directly, your name and address and information about your holdings of common shares of Paragon have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the securities on your behalf. By choosing to send these materials to you directly, Paragon (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. Please return your voting instructions as specified in the request for voting instructions form.

In accordance with National Instrument 54-101 – *Communication With Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") of the Canadian Securities Administrators, Paragon has elected to send proxy-related materials directly to non-objecting beneficial owners of its common shares. As Paragon is unable to send proxy-related materials directly to the objecting beneficial owners ("OBOs") of its common shares (because OBOs are beneficial shareholders who have objected to the release of security ownership details to issuers), proxy-related materials for the Meeting will be sent to OBOs indirectly through the intermediaries who hold securities on behalf of the OBOs. The intermediaries/brokers (or their service companies) are responsible for forwarding the proxy-related materials to their OBO clients. Management of Paragon does not intend to pay for intermediaries to forward to their OBO clients the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* under NI 54-101 and, as such, OBOs will not receive the proxy-related materials in connection with the Meeting unless such OBO's intermediary assumes the cost of delivery.

Non-registered shareholders are strongly encouraged to vote their shares using the voting instruction form received with the Notice of Meeting and this Circular. Non-registered shareholders will only be entitled to vote at the Meeting in person or by telephone conference (by pre-registering as noted above) if they appoint themselves as proxyholder using the voting instruction form provided to them by their nominee.

Paragon has chosen not to use the notice-and-access delivery procedures provided by NI 54-101.

PART 2 – VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Paragon has authorized voting capital of an unlimited number of common shares without nominal or par value, of which 32,571,262 common shares were issued and outstanding as at the close of business on May 19, 2026. Each shareholder is entitled to one vote for each common share registered in their name at the close of business on May 19, 2026, the date fixed by our directors as the record date for determining who is entitled to receive notice of and to vote at the Meeting.

The following table lists those persons who, as of the date of this Circular and to the knowledge of our management, beneficially own, directly or indirectly, or exercise control or direction over 10% or more of Paragon’s issued and outstanding common shares. Information as to shares beneficially owned, directly or indirectly, or over which control or direction is exercised has been furnished by the respective person or has been extracted from insider reports filed by the person and publicly available through the Internet on the Canadian System for Electronic Disclosure by Insiders (“SEDI”) at www.sedi.ca.

<u>Name</u>	<u>Type of ownership</u>	<u>Number of common shares⁽¹⁾</u>	<u>Percentage</u>
McEwen Inc. (registered holder 11195581 Canada Inc.) ⁽²⁾	Direct	8,742,880 ⁽³⁾	26.84%

(1) The information as to shares beneficially owned has been extracted from insider reports filed and publicly available on SEDI at www.sedi.ca.

(2) Ian Ball, a current director of Paragon, is the Executive Vice-Chairman of McEwen Inc. (“McEwen”).

(3) On November 3, 2025, McEwen became the Company’s largest shareholder through its strategic investing in the Company by purchasing 6,480,020 common shares of Paragon from Britannia Life Sciences Inc. and subscribing for 2,262,860 common shares of Paragon via a private placement.

PART 3 – THE BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The audited annual financial statements of Paragon for the year ended December 31, 2025, will be placed before you at the Meeting. These financial statements, as well as Management’s Discussion and Analysis for the year ended December 31, 2025, have been electronically filed with regulators and are available for viewing through the Internet on the Canadian System for Electronic Document Analysis and Retrieval+ (“SEDAR+”) at www.sedarplus.ca under Paragon’s issuer profile. Copies of our audited annual financial statements and Management’s Discussion and Analysis related thereto will also be available at the Meeting or upon request by any shareholder who wishes to receive a copy. You may contact Paragon at 120 Adelaide Street West, Suite 2400, Toronto, ON, M5H 1T1, Canada – telephone (416) 930 7711

ELECTION OF DIRECTORS

Directors of Paragon are elected for a term of one year. The term of office of each of the current directors will expire at the Meeting and each of the nominees for election as directors, if elected, will serve until the close of the next annual general meeting, unless such director resigns or otherwise vacates office before that time.

Number of Directors

Under our Articles, the number of directors may be fixed or changed from time to time by ordinary resolution, but shall not be fewer than three. We currently have four directors, all of whom are standing for re-election, at the Meeting.

The Board of Directors believes that, at this stage of Paragon’s development, four directors is a suitable number to efficiently carry out the duties of the Board, as well as enhance the diversity of views, skills and experience the directors bring to the Board.

Unless they are instructed otherwise, the persons designated by management in the enclosed form of proxy intend to vote FOR setting the number of directors at four.

Nominees for Election as Directors

The following are the nominees proposed for election as directors of Paragon, their principal occupation, together with the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as well as the number of incentive stock options and warrants held by each nominee as of the record date for the Meeting.

Peter Shippen, Jason Mayer, Ian J. Ball and Simon Grayson are the current directors of Paragon.

Each of the nominees has agreed to stand for election and we are not aware of any intention of any of them not to do so. However, if one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated at the Meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

Paragon has not, as yet, adopted a majority voting policy for election of directors at uncontested shareholder meetings at which directors are to be elected.

Voting for election of directors of Paragon is by individual voting and not by slate voting. You can vote your shares for the election of all of these nominees as directors of Paragon, or you can vote for some of these nominees for election as directors and withhold your votes for others, or you can withhold all of the votes attaching to the shares you own and, thus, not vote for the election of any of these nominees.

Management of Paragon recommends that shareholders vote FOR the election of these four nominees as directors of Paragon for the ensuing year. **Unless they are instructed otherwise, the persons designated by management in the enclosed form of proxy intend to vote FOR the election of these four nominees as directors of Paragon for the ensuing year.**

Nominee for Election	Director Since	Common Shares⁽¹⁾
Peter Shippen Ontario, Canada <i>Director</i> <i>Chief Executive Officer, Secretary and Chair of the Board</i>	December 9, 2025	615,650
Principal Occupation: Chief Executive Officer, Secretary and Chair of the Board of Directors of the Company (since December 2025); Director and Chief Executive Officer of Britannia Life Sciences Inc. (since November 2021)		
Jason Mayer Ontario, Canada <i>Director</i> <i>Member of the Audit Committee</i> <i>Member of the Compensation and Corporate Governance Committee</i>	December 9, 2025	101,000
Principal Occupation: Managing Partner at CFT Financial and consultant to the Ninepoint Partners LP flow-through funds		
Ian J. Ball Ontario, Canada <i>Director</i> <i>Member of the Audit Committee</i> <i>Member of the Compensation and Corporate Governance Committee</i>	December 9, 2025	1,000 ⁽²⁾
Principal Occupation: Executive Vice-Chairman of McEwen Inc. (since September 2025)		

Nominee for Election	Director Since	Common Shares ⁽¹⁾
<p>Simon Grayson Ontario, Canada</p> <p><i>Director</i> <i>Member of the Audit Committee</i> <i>Chair of the Compensation and Corporate Governance Committee</i></p>	December 9, 2025	58,140
<p>Principal Occupation: Co-Founder, Chief Executive Officer, and Chairman of the Board of Velocity Trade Holdings Ltd (since 2008)</p>		

- (1) The information as to shares beneficially owned or over which control or direction is exercised has been furnished by each of the nominees or has been extracted from insider reports filed by each of the nominees and publicly available on SEDI at www.sedi.ca.
- (2) Ian Ball, a current director of Paragon, is the Executive Vice-Chairman of McEwen Inc. See "Voting Shares and Principal Holders Thereof".

For particulars of the various Committee mandates and responsibilities, see Part 6 – Corporate Governance – Board Committees and Part 7 – Audit Committee.

APPOINTMENT OF THE AUDITOR

At the Meeting, shareholders will be asked to vote for the re-appointment of Zeifmans LLP as auditor of Paragon, to hold office until the next annual general meeting of our shareholders or until a successor is appointed.

Zeifmans LLP was first appointed as auditor of Paragon on April 29, 2025.

Pursuant to Paragon’s Articles, the directors are authorized to set the auditor’s remuneration. See also Part 7 – Audit Committee – External Auditor Service Fees.

We recommend that shareholders vote in favor of the re-appointment of Zeifmans LLP as our auditor for the ensuing year. **Unless they are instructed otherwise, the persons designated by management in the enclosed form of proxy intend to vote FOR the re-appointment of Zeifmans LLP as auditor of Paragon until the close of our next annual general meeting.**

APPROVAL OF 2026 OMNIBUS EQUITY INCENTIVE PLAN

The Board has determined that it is advisable to adopt, and seek shareholder approval for, an omnibus equity incentive plan (the "Omnibus Plan"), a copy of which is attached as Appendix 3 to this Circular, which it believes is in the best interests of the Company.

The Omnibus Plan will supersede the Company’s existing stock option plan dated December 9, 2025 (the "Option Plan"). Options granted under the Option Plan will remain outstanding and be governed by the terms of the Omnibus Plan if the Omnibus Plan is approved by the shareholders of the Company. If the Omnibus Plan is not approved, the Option Plan will remain in place and options will continue to be governed by the Option Plan, and the Company will seek re-approval of the Option Plan and all unallocated options and entitlements thereunder. The Board is of the view that the Omnibus Plan is required in order to provide additional incentive to, and attract and retain, the key executives necessary for the Company's long-term success, to encourage executives to further the development of the Company and its operations and to motivate top quality and experienced executives.

Pursuant to the policies of the TSX Venture Exchange (the "Exchange"), the Company is required to obtain shareholder approval of the Omnibus Plan on a yearly basis. Accordingly, at the Meeting, the shareholders will be asked to pass an ordinary resolution to approve the Omnibus Plan.

As of the date of this Circular, Paragon has an aggregate 32,571,262 common shares outstanding, 10% of which provides for a reserve of 3,257,126 common shares of Paragon for issuance pursuant to awards granted under the Omnibus Plan. The following table summarizes the awards granted by the Board of Directors to officers, directors and consultants of Paragon, which are outstanding as of the date of this Circular and entitle the purchase of an aggregate 270,000 common shares in the capital of Paragon:

<u>Date of Grant</u>	<u>Common shares underlying Options</u>	<u>Exercise price per share</u>	<u>Expiry Date</u>
October 10, 2022	250,000	\$1.00	October 10, 2027
June 5, 2021	20,000	\$1.00	June 5, 2026

As of the date of this Circular, awards entitling the purchase of a further 2,987,126 common shares remain available for grant under the Option Plan.

See also Part 4 – Executive Compensation and Part 5 – Securities Authorized for Issuance Under Equity Compensation Plans.

A copy of the Omnibus Plan is attached to this Information Circular as Appendix 3, and is also available for viewing by shareholders at Paragon’s registered office located at Suite 530, 355 Burrard Street, Vancouver, British Columbia, or at Paragon’s offices located at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, M5H 1T1, during normal business hours prior to the Meeting or any adjournment thereof. A copy of the Omnibus Plan will also be available at the Meeting.

Summary of the Omnibus Plan

The following is a summary of the principal terms of the Omnibus Plan, which is qualified in its entirety by reference to the text of the Omnibus Plan. All capitalized terms used herein and not defined shall have the meanings ascribed to them in the Omnibus Plan.

The Omnibus Plan is a rolling evergreen plan that provides for a variety of equity-based awards, including stock options (“Options”), restricted shares, restricted share units (“RSUs”), deferred share units (“DSUs”), performance shares, performance units, and other share-based awards (collectively, “Awards”), to directors, officers, employees and consultants of the Company (the “Participants”).

The maximum number of common shares issuable under the Omnibus Plan, together with all other security-based compensation arrangements of the Company, is 10% of the Company’s issued and outstanding common shares (on a non-diluted basis) at any time. Shares underlying Awards that are exercised, settled, cancelled, expired or otherwise terminated will again become available for issuance under the Omnibus Plan.

The Omnibus Plan includes the following limits:

- The aggregate number of Awards granted to any one person within a 12-month period may not exceed **5%** of the issued and outstanding common shares, unless disinterested shareholder approval is obtained.
- The aggregate number of common shares issuable to any one consultant within a 12-month period may not exceed **2%**.
- The aggregate number of options issuable to all investor relations service providers within a 12-month period may not exceed **1%**.

The Omnibus Plan is administered by the board of directors or a committee thereof (the “Committee”), which has broad discretion to determine eligibility, the type and terms of Awards, including vesting conditions, exercise price, performance criteria and settlement terms.

Stock Options

Options granted under the Omnibus Plan have an exercise price which shall not be less than the fair market value (“FMV”) of the common shares on the date of grant and shall have a maximum term of five years. Vesting and exercisability are determined by the Committee. Options may be exercised for cash or, subject to conditions and restrictions, through cashless or net exercise mechanisms, as more particularly described in the Omnibus Plan attached to this Circular as Appendix 3.

Restricted Share Units (RSUs)

RSUs entitle Participants to receive shares issued from treasury of equivalent value (based on the FMV) upon vesting, subject to conditions established by the Committee. RSUs shall vest over a period of time, no earlier than one year from the date of grant and no later than three years from the date of grant.

Deferred Share Units (DSUs)

Subject to the terms and conditions of the Omnibus Plan, the Committee, at any time and from time to time, may grant DSUs to Participants in such amounts and upon such terms as the Committee shall determine.

Performance-Based Awards

Subject to the terms and conditions of the Omnibus Plan, the Committee, at any time and from time to time, may grant Performance Shares and/or Performance Units to Participants in such amounts and upon such terms as the Committee shall determine. Each Performance Share and Performance Unit shall have an initial value equal to the FMV of a common share on the date of grant. The Committee shall set performance criteria for a performance period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the award agreement, the value and/or number of each Performance Share or Performance Unit that will be paid to the Participant.

Other Share-Based Awards

The Omnibus Plan permits the grant of other equity-based awards, including common shares issued in lieu of cash compensation, subject to applicable limits and regulatory requirements.

General Provisions

Awards are generally non-transferable (other than in limited circumstances), and Participants do not have shareholder rights until underlying common shares are issued. The Committee may impose holding periods, performance conditions or other restrictions on Awards. The Omnibus Plan does not confer any right to continued employment or service.

In certain circumstances, the Committee may approve accelerated vesting and payment in the event of a change of control of the Company.

The Board retains the authority to amend or terminate the Omnibus Plan, subject to applicable regulatory and shareholder approval requirements, provided that such amendments do not materially adversely affect outstanding Awards without the consent of the affected Participant.

Amendment, Modification, Suspension and Termination

The Board of Directors or the Committee may, subject to applicable law and Exchange requirements, amend, suspend or terminate the Omnibus Plan or any Award at any time without shareholder approval for certain purposes, including housekeeping amendments, clarifications, changes to vesting or term provisions (subject to limitations), and amendments required to reflect changes in applicable laws.

However, no amendment may adversely affect the rights of a Participant under an outstanding Award without the Participant's consent, unless otherwise provided in the Omnibus Plan or the applicable award agreement.

Shareholder approval is required for certain amendments, including:

- any reduction in the exercise price of an Option held by an insider;
- any increase in the number of common shares available for issuance under the Omnibus Plan;
- any increase in the limits on insider participation;
- any extension of the term of an Option beyond its original expiry date (except in limited circumstances, such as blackout periods); and
- any amendment to the Omnibus Plan's amendment provisions.

Uncertificated Shares

To the extent that the Omnibus Plan provides for issuance of certificates to reflect the transfer of common shares, the transfer of such common shares may be effected on a non-certificated basis to the extent not prohibited by applicable law or the rules of any applicable stock exchange.

No Fractional Shares

No fractional common shares shall be issued or delivered pursuant to the Omnibus Plan or any award agreement. In such an instance, unless the Committee determines otherwise, fractional common shares and any rights thereto shall be forfeited or otherwise eliminated.

We believe the Omnibus Plan enables us to better align the interests of our directors and officers with those of our shareholders and reduces the cash compensation Paragon would otherwise have to pay. Management of Paragon recommends that shareholders vote in favour of the resolution to approve the Omnibus Plan. **Unless they are instructed otherwise, the persons designated by management in the enclosed form of proxy intend to vote FOR the resolution to approve the Omnibus Plan.**

PART 4 – EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company and its executive compensation objectives and processes and to discuss compensation decisions relating to the Company's named executive officers ("Named Executive Officers") who served in such capacity during the fiscal year ended December 31, 2025. For the purposes of this disclosure, the following individuals were the Named Executive Officers of Paragon during the fiscal year ended December 31, 2025:

- Peter Shippen, Chair (since December 9, 2025), Chief Executive Officer and Corporate Secretary (since December 9, 2025); and
- Sarah Zilik, Chief Financial Officer (since December 9, 2025).

Additional information about Paragon and its operations is available in our audited financial statements and Management's Discussion & Analysis for the year ended December 31, 2025, which have been electronically filed with regulators and are available for viewing under the Company's Issuer Profile on SEDAR+ at www.sedarplus.ca.

Compensation Objectives and Principles

It is the view of Paragon's Board of Directors that the primary goal of an executive compensation program is to attract, motivate and retain experienced, quality individuals at the executive level. It is Paragon's intention to create, in the fullness of time, such a program, designed to ensure that the compensation provided to its executive officers is

determined with regard to the business strategy and objectives of Paragon, such that the financial interests of the executive officers are matched with the financial interests of Paragon's shareholders.

An important element of executive compensation is that of Awards, which do not require cash disbursement by Paragon. See "Equity Compensation Awards" below.

Compensation Process and the Role of the Compensation and Corporate Governance Committee

The Compensation and Corporate Governance Committee is responsible for determining and recommending to the Board of Directors for approval all forms of compensation to be awarded to our Chief Executive Officer, as well as to our directors, and for reviewing the Chief Executive Officer's recommendations regarding compensation of Paragon's other senior executives, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of Paragon's executive officers, the Compensation and Corporate Governance Committee and the Board consider: (i) recruiting and retaining executives critical to Paragon's success and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and our shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations in general; and (v) available financial resources.

The members of the Compensation and Corporate Governance Committee have varied experience relevant to executive compensation through their committee experiences with other companies, or through experience gained during their professional careers, and they bring a broad base of skills and experience that contributes to their abilities to make decisions on compensation policies and practices, including knowledge of the industry and operational experience.

The Compensation and Corporate Governance Committee may, as part of its review and evaluation process, refer to commercially available published reports on executive compensation or engage independent third party executive compensation consultants and be guided in part by reports prepared by such consultants. No such consultants were engaged, nor were any such reports relied on, during Paragon's fiscal year ended December 31, 2025.

Equity Compensation Awards

Long-term incentives in the form of Awards entitling the purchase of common shares of Paragon are intended to align the interests of our directors and executive officers with those of our shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation Paragon would otherwise have to pay. Paragon's Omnibus Plan is administered by the Board of Directors on recommendations from the Compensation and Corporate Governance Committee. In establishing the number of Awards to be granted, or in determining whether to make any new grants of Awards, and the size and terms of any such grants, reference is made to, and the Board of Directors will consider, previous grants of Awards and the overall number of Awards that are outstanding relative to the number of outstanding Paragon common shares, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of Award compensation.

The Board of Directors has granted Options to its directors, officers, consultants and employees which, as of December 31, 2025, entitled the purchase of an aggregate 360,000 common shares of Paragon.

See "Incentive Plan Awards – Outstanding Option-Based Awards" below.

Benefits and Perquisites

Paragon does not, as of December 31, 2025, offer any benefits or perquisites to its Named Executive Officers other than health care benefits generally available to all employees and entitlement to Options as otherwise disclosed and discussed herein. Paragon does not, as of December 31, 2025, offer any form of pension plan.

Risks Associated with Paragon's Compensation Practices

At the time of preparation of this Circular, Paragon's directors had not, collectively, considered the implications of any risks to Paragon associated with decisions regarding compensation of its executive officers.

Hedging by Named Executive Officers or Directors

Paragon has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of December 31, 2025, entitlement to grants of Awards under the Omnibus Plan is the only equity security element available to Paragon's executive officers and directors.

Summary Compensation Table

The following table provides a summary of compensation during the fiscal years ended December 31, 2025, 2024 and 2023, that was earned by, paid to, or accrued and payable to each Named Executive Officer who served in such capacity during the fiscal year ended December 31, 2025.

Named Executive Officer	Fiscal year ended ⁽¹⁾	Salary/ Fee (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation			Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)	All other compensation (\$)	
Peter Shippen	Dec 31/2025	206,250	Nil	Nil	Nil	Nil	Nil	206,250
⁽¹⁾⁽²⁾	Dec 31/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chairman, Chief Executive Officer & Corporate Secretary	Dec 31/2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sarah Zilik ⁽¹⁾⁽³⁾	Dec 31/2025	162,000	Nil	Nil	Nil	Nil	Nil	162,000
Chief Financial Officer	Dec 31/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Dec 31/2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ On December 9, 2025, the Paragon completed a reverse take-over transaction by way of a three-cornered amalgamation among Paragon, Britannia Mining Solutions Inc. and 16796788 Canada Ltd. (the "RTO Transaction"). Paragon determined that it is in the best interest of the Company to retain December 31 as Paragon's financial year end. The Board authorized the change of Paragon's financial year-end from March 31 to December 31.

⁽²⁾ Mr. Shippen was appointed as Paragon's Chair of the Board, Chief Executive Officer and Corporate Secretary effective April 3, 2025, prior to the completion of the RTO Transaction.

⁽³⁾ Ms. Zilik was appointed as Paragon's Chief Financial Officer effective April 3, 2025, prior to the completion of the RTO Transaction.

Incentive Plan Awards

Outstanding Option-Based Awards

There were no option-based awards or share-based awards granted to Named Executive Officers during the fiscal year ended December 31, 2025.

Exercise of Options to Purchase Common Shares of Paragon

There were no incentive stock options or any other form of equity or share based awards exercised by the Named Executive Officers during the fiscal year ended December 31, 2025.

Director Compensation

During the fiscal year ended December 31, 2025, Paragon did not pay its directors a fee for acting as such. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and Paragon does, from time to time, grant Options entitling the purchase of common shares to its directors (see “Outstanding Option-Based Awards” below).

The following disclosure of director compensation during Paragon’s most recently completed financial year ended December 31, 2025, excludes compensation of Peter Shippen, a director of Paragon also serving as its Chair, Chief Executive Officer and Corporate Secretary. Compensation for Mr. Shippen is disclosed above at “Executive Compensation – Summary Compensation Table”.

Director	Director fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jason Mayer	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ian J. Ball	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Simon Grayson	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Outstanding Option-Based Awards

During the fiscal year ended December 31, 2025, no options-based awards have been granted to our directors by Paragon.

Exercise of Options to Purchase Common Shares of Paragon

There were no incentive stock options or any other form of equity or share based awards exercised by the directors during the fiscal year ended December 31, 2025.

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following information is as of December 31, 2025:

<u>Plan Category</u>	<u>Number of securities⁽¹⁾ to be issued upon exercise of outstanding options, warrants and rights (a)</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights (b)</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</u>
Equity compensation plans approved by securityholders:			
- Option Plan ⁽²⁾	360,000 ⁽²⁾	\$1.00	3,240,126
Equity compensation plans not approved by securityholders:			
- Omnibus Plan.....	N/A	N/A	N/A

⁽¹⁾ Underlying securities are common shares in the capital of Paragon.

⁽²⁾ The Option Plan (as previously defined and described herein) was approved by the Board on December 9, 2025.

PART 6 – CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of Paragon. The Board of Directors of Paragon is committed to sound corporate governance practices, which are in the interest of its shareholders and also contribute to effective and efficient decision making. The following is a summary of Paragon's approach to corporate governance.

Composition of the Board of Directors

As of the date of this Circular, the Board of Directors of Paragon is comprised of four directors, three of whom, Jason Mayer, Ian J. Ball and Simon Grayson are considered to be independent of management having applied the guidelines contained in applicable securities legislation. In determining whether a director is independent, the Board considers, for example, whether a director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management. Peter Shippen, by reason of his office as Chair, Chief Executive Officer and Corporate Secretary, is not considered to be independent of management.

Board consideration and approval is required for all material contracts, business transactions and all debt and equity financing proposals. The Board delegates to management, through the Chief Executive Officer, responsibility for meeting defined corporate objectives, evaluating new business opportunities and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations with respect to corporate objectives.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance – however, in-camera sessions may be convened by the independent directors if determined to be necessary following Board meetings or otherwise.

Directorships in other Public Companies

Certain of the current directors of Paragon are, as of the date of this Circular, also directors of other reporting issuers as follows:

Name	Reporting Issuer
Peter Shippen	Britannia Life Sciences Inc.
Ian J. Ball	Brixton Metals Corporation McEwen Inc.

Orientation and Continuing Education of Directors

Paragon has not yet developed an official orientation or training program for new directors. The majority of Paragon’s current and past directors are familiar with the mining industry and publicly traded companies in general and, as such, formal orientation has not, to date, been required. New directors will be provided with a thorough overview of Paragon’s business, properties, assets, operations, as well as strategic plans and objectives through discussions and meetings with other directors and with officers. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Management of Paragon endeavours to provide a continuous flow of information to its directors for continuing education purposes relating to Paragon’s business and operations, as well as information and other initiatives intended to keep the Board abreast of new developments and challenges that Paragon may face. Each director, by virtue of the role, is responsible for staying informed about Paragon’s business, as well as developments in the industry.

Ethical Business Conduct

Acting with integrity, honesty and in good faith with respect to what is in the best interests of Paragon’s stakeholders is fundamental to its reputation and ongoing success. Paragon is committed to sustainable growth within the parameters of ensuring the safety and well-being of its employees, protecting the environment, and supporting the communities in which it operates.

Our Board of Directors’ stewardship responsibility is to oversee the conduct of the business and affairs of Paragon, to provide leadership and direction to its management, and to set policies. Through the Chief Executive Officer, the Board sets standards of conduct, including the general moral and ethical standards for the conduct of its business.

The Board monitors the ethical conduct of Paragon and its management to ensure that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. In addition, the fiduciary duties placed on individual directors by Paragon’s governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director’s participation in decisions of the Board in which the director has an interest, ensures operation of the Board independently of management and in the best interests of Paragon and its shareholders.

Nomination and Election of Directors

The Board considers its size each year when it determines the number of directors to recommend to shareholders for election at annual general meetings, taking into account the number required to carry out the Board’s duties effectively and to maintain diversity of view and experience. In considering nominees for election as directors, the Board takes into consideration (a) the independence of each individual; (b) the competencies, skills and experience of the individual, as well as the individual’s ability to engage in informed governance, strategic business development, risk assessment and management, and effective teamwork; (c) the personality of the individual and other qualities that could impact Board dynamics; and (d) Paragon’s strategic direction.

The Compensation and Corporate Governance Committee is responsible for identifying new candidates to recommend to the Board for nomination as directors of Paragon (see “Board Committees – Compensation and Corporate Governance Committee”, which follows).

Compensation

See “Board Committees – Compensation and Corporate Governance Committee”, which follows, and see also Part 4 – Executive Compensation – Compensation Process and the Role of the Compensation and Corporate Governance Committee.

Board Committees

As of the date of this Circular, the Board of Directors of Paragon has appointed an Audit Committee and a Compensation and Corporate Governance Committee.

Audit Committee

See Part 7 – Audit Committee.

Compensation and Corporate Governance Committee

Ian J. Ball (Chair), Simon Grayson and Jason Mayer are the members of the Compensation and Corporate Governance Committee. All three are considered to be “independent” applying the guidelines contained in applicable securities legislation. Biographies outlining the education and experience of each of the members of the Compensation and Corporate Governance Committee are included in Part 7 – Audit Committee – Relevant Education and Experience.

The Compensation and Corporate Governance Committee is responsible for, among other responsibilities, recommending to the Board the number of directors to be elected at each annual general meeting, as well as recommending nominees to be elected or appointed as directors. In doing so, the Compensation and Corporate Governance Committee considers the number of directors required to carry out the Board’s duties effectively, strives to ensure that the Board of Directors is comprised of a majority of independent directors, and considers diversity of views and experience. Before selecting nominees, the Compensation and Corporate Governance Committee will assess a nominee’s independence, experience, areas of expertise, diversity, perspective, business judgment, and leadership capabilities, all in the context of assessing the perceived needs of our Board and Paragon’s business and operations.

The Compensation and Corporate Governance Committee is also responsible for defining terms of employment and compensation of senior executives, including succession planning, with a view of ensuring that Paragon is able to recruit, retain and motivate performance-oriented executives.

The Charter for the Compensation and Corporate Governance Committee is attached to this Circular as Appendix 1.

Assessments

The Board does not formally review the contributions of individual directors; however, it believes that its current and proposed size facilitates informal discussion and evaluation of members’ contributions within that framework.

PART 7 – AUDIT COMMITTEE

Role of the Audit Committee & Audit Committee Charter

The purpose of the Audit Committee of Paragon’s Board of Directors is to provide assistance to the Board of Directors of Paragon in fulfilling its legal and fiduciary obligations with respect to matters involving accounting, auditing, financial reporting, internal control and legal compliance functions of Paragon. It is the objective of the Audit Committee to maintain communication among the Board of Directors of Paragon, the external auditor and senior management of Paragon.

The principal duties of the Audit Committee are to review annual and interim financial statements and all legally required disclosure documents containing financial information, and assist the Board of Directors in fulfilling its

oversight responsibilities to shareholders. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding corporate assets, reliability of information, and compliance with policies and laws.

The charter for the Audit Committee as adopted by our Board of Directors is attached as Appendix 2 hereto.

Composition of the Audit Committee

As at the date of this Circular, the members of Paragon's Audit Committee are Ian J. Ball (Chair), Simon Grayson and Jason Mayer. All three are considered to be "independent" applying the guidelines contained in applicable securities legislation.

All three members of the Audit Committee are financially literate in that each has the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Paragon's financial statements.

See "Reliance on Certain Exemptions" below.

Relevant Education and Experience

Each of the Audit Committee members is a business person with experience in financial matters garnered from working in their individual fields of endeavor; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, and each has an understanding of the internal controls and procedures necessary for financial reporting.

The following outlines the education and experience of the current members of the Audit Committee:

Ian J. Ball (Chair)

Mr. Ball has spent the majority of his professional career in the mining and natural resource sector. In executive roles he has been involved in companies focused on gold and silver exploration and development in North and South America as well as royalty businesses. Mr. Ball is the Executive Vice Chairman of McEwen Inc., a gold, silver, and copper mining company listed on the NYSE and TSX, and currently serves as a director of Brixton Metals Corporation. Previously, Mr. Ball served as the President and CEO of Abitibi Royalties, Inc. a Toronto-listed gold royalty company. Mr. Ball joined Abitibi in 2014 and served as an officer and director until 2021 when the company was acquired for \$250 million. Prior to his tenure at Abitibi, Ian served as McEwen Mining Inc's President.

Simon Grayson

Mr. Grayson is the Co-Founder, Chief Executive Officer, and Chairman of the Board of Velocity Trade Holdings Ltd., a global financial services firm headquartered in Toronto with operations across Canada, the United Kingdom, Europe, Australia, South Africa, Asia, and the Middle East. Since founding the company in 2008, he has led its international expansion and strategic growth. He also serves as CEO and Ultimate Designated Person (UDP) of Velocity Trade Capital, a CIRO-regulated dealer and wholly owned subsidiary of Velocity Trade Holdings Ltd. Prior to his time at Velocity Trade Holdings Ltd., he was the Founder and CEO of Shorecan Index, a Toronto-based financial services company. From 1992 to 2002, he held senior banking roles in the City of London, including Vice President at HSBC and Managing Director at JP Morgan Chase, with a primary focus on Emerging Markets and South Africa. He holds a Bachelor's degree in Economics and International Relations from the University of Reading, United Kingdom

Jason Mayer

Mr. Mayer is a Managing Partner at CFT Financial and serves as a consultant to the Ninepoint Partners LP flowthrough funds. Previously, he was a Portfolio Manager at Sprott Asset Management LP from 2012 to 2025, where he acted as lead portfolio manager for a number of resource-focused investment funds. Mr. Mayer has over 22 years of investment

industry experience, specializing in the structuring of flow-through investment vehicles and the management of portfolios focused on growth-oriented resource equities. He holds an MBA from the Schulich School of Business (York University) and is a Chartered Financial Analyst (CFA) charter holder.

Audit Committee Oversight

At no time since the commencement of Paragon’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

As Paragon is a “Venture Issuer” pursuant to relevant securities legislation, Paragon is relying on the exemption in Section 6.1 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

At no time since the commencement of our most recently completed financial year ended December 31, 2024, has Paragon relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or the exemptions in Section 6.1.1 of NI 52-110 with respect to composition of an audit committee of a venture issuer (*Circumstance Affecting the Business or Operations of the Venture Issuer, Events Outside Control of Member and Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approved Policies and Procedures for Non-Audit Services

Paragon’s Audit Committee Charter provides that the Audit Committee is to pre-approve any engagements for non-audit services to be provided to Paragon by our external auditor prior to engaging the external auditor to perform such non-audit services, in light of the estimated fees and impact on the external auditor’s independence.

External Auditor Service Fees

Audit fees and audit and/or tax related fees billed or anticipated to be billed by our external auditor, Zeifmans LLP, for services rendered during and/or related to the financial year ended December 31, 2025 and March 31, 2025⁽¹⁾, are summarized in the table that follows.

	Fiscal year ended December 31, 2025⁽¹⁾	Fiscal year ended March 31, 2025⁽¹⁾
Audit fees	\$120,000	\$140,000
Audit related fees.....	Nil	Nil
Tax fees	Nil	Nil
All other non-audit service fees.....	Nil	Nil

⁽¹⁾ On December 9, 2025, Paragon completed a reverse take-over transaction by way of a three-cornered amalgamation among Paragon, Britannia Mining Solutions Inc. and 16796788 Canada Ltd. Paragon determined that it is in the best interest of the Company to retain December 31 as Paragon's financial year end. The Board authorized the change of Paragon’s financial year-end from March 31 to December 31.

PART 8 – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year ended December 31, 2025, and as at the date of this Circular, no director, executive officer or employee or former director, executive officer or employee of Paragon, nor any nominee for election as a director of Paragon, nor any associate of any such person, was indebted to Paragon, nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Paragon.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as summarized below or as otherwise disclosed in this Circular, no proposed nominee for election as a director, and no director or executive officer of Paragon who has served in such capacity since the beginning of Paragon's most recently completed financial year, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of Paragon's outstanding common shares, nor any of the respective associates or affiliates of any of the foregoing persons had or has any material interest in any transaction with Paragon since the commencement of its most recently completed financial year ended December 31, 2025, or in any proposed transaction, that has materially affected Paragon or is likely to do so.

On November 3, 2025, McEwen became the Company's largest shareholder through its strategic investing in the Company by purchasing 6,480,020 shares of Paragon from Britannia Life Sciences Inc. and subscribing for 2,262,860 shares of Paragon via a private placement. Mr. Ball is the Executive Vice-Chairman of McEwen. See Part 2 – Voting Shares and Principal Holders Thereof.

Further detail with respect to transaction related to the private placement noted above is included in the Company's Listing Statement dated November 28, 2025 (filed on SEDAR+ under Paragon's issuer profile).

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of Paragon who have served in such capacity since the beginning of Paragon's fiscal year ended December 31, 2025, nor any associate or affiliate of any of those individuals, has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the approval of the Omnibus Plan (under the terms of which the directors and officers of Paragon are eligible to participate),

See Part 3 – The Business of the Meeting.

CEASE TRADE ORDERS AND BANKRUPTCY

Other than as disclosed below, as at the date of this Circular, no proposed nominee for election as a director of Paragon is, or has been, within 10 years before the date of this Circular:

1. a director, chief executive officer or chief financial officer of any company (including Paragon and any personal holding company of the proposed director) that, while that person was acting in that capacity:
 - (a) was subject to:
 - (i) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order); or
 - (ii) an order similar to a cease trade order; or
 - (iii) an order that denied the relevant company access to any exemption under securities legislation;that was in effect for a period of more than 30 consecutive days (an “**Order**”); or
 - (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
2. a director or executive officer of any company (including Paragon and any personal holding company of the proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Peter Shippen is a director and Chief Executive Officer and Ms. Sarah Zilik is the Chief Financial Officer of Britannia Life Sciences Inc., a CSE listed company, since 2019. In August 2024, Britannia Life Sciences Inc. was

subject to a cease trade order for the late filing of its audited annual financial statements and related annual management discussion and analysis. The cease trade order was revoked in September 2024.

PERSONAL BANKRUPTCY

As at the date of this Circular no proposed nominee for election as a director of Paragon has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

PENALTIES AND SANCTIONS

As at the date of this Circular, no proposed director of Paragon (nor any of their personal holding companies) has been subject to:

1. 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
2. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

OTHER MATTERS

We are not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

You may obtain additional financial information about Paragon in our audited comparative annual financial statements and Management's Discussion and Analysis for the year ended December 31, 2025, which have been electronically filed with regulators and are available for viewing through the Internet on SEDAR+ at www.sedarplus.ca under Paragon's issuer profile. Additional copies may be obtained without charge upon request to us at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, M5H 1T1 – telephone (416) 930-7711. You may also access our public disclosure documents through the Internet on SEDAR+ at www.sedarplus.ca.

APPENDIX 1

PARAGON ADVANCED LABS INC.

**CHARTER FOR THE COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS**

PARAGON ADVANCED LABS INC.

CHARTER FOR THE COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS

1. Purpose

1.1 The Compensation and Corporate Governance Committee (the “Committee”) is ultimately responsible for:

- (a) reviewing compensation and corporate governance policies and guidelines;
- (b) assisting the Board of Directors in assessing and fulfilling its oversight responsibilities to ensure that the Company has an effective compensation and corporate governance regime and engages in sound and ethical business conduct in compliance with regulatory guidelines; and
- (c) ensuring the independence of the Board of Directors in its functioning and operation and its ability to effectively supervise management’s operation of the Company.

1.2 The Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors may from time to time prescribe.

2. Membership

2.1 Each member of the Committee must be a director of the Company.

2.2 The Committee will consist of at least three members and at least a majority of the members of the Committee shall be independent directors.

2.3 The members of the Committee will be appointed annually by, and will serve at the discretion of, the Board of Directors.

3. Responsibilities and Duties

3.1 The Committee’s responsibilities and duties include, but are not limited to, the following:

- (a) defining terms of employment and compensation of senior executives, including succession planning and compensation, with a view of ensuring that the Company is able to recruit, retain and motivate performance-oriented executives;
- (b) recommending to the Board of Directors the terms of employment, compensation and corporate objectives of the President and Chief Executive Officer;
- (c) reviewing the performance of the Chief Executive Officer;
- (d) defining management compensation programs including awards and incentive plans;
- (e) interpreting the Company’s Omnibus Plan and its policies respecting the grant of awards thereunder, and reviewing and recommending to the Board of Directors for approval the grant of awards thereunder and the terms thereof;
- (f) reviewing and recommending to the Board of Directors for approval the awards and other benefits, direct and indirect, of the Chief Executive Officer;
- (g) reviewing and approving the Chief Executive Officer’s recommendations for the awards and other benefits, direct or indirect of the senior executives of the Company;
- (h) reviewing on a periodic basis the terms of the Company’s executive compensation programs for the purpose of determining if they are properly coordinated and achieving the purpose for which they were designed and administered;
- (i) recommending to the Board of Directors the appropriate level of director compensation;

- (j) overseeing the Company's compliance with any rules promulgated by any regulatory body prohibiting loans to officers and directors of the Company;
- (k) periodically reviewing the Company's corporate governance policies and making policy recommendations aimed at enhancing the effectiveness of the Board of Directors and all committees of such Board;
- (l) ensuring appropriate structure, size composition, mandate and membership of the Board of Directors committees;
- (m) identifying, evaluating, and recommending suitable candidates for nominees as directors;
- (n) proposing agenda items and content for submissions to the Board of Directors related to compensation and corporate governance issues;
- (o) periodically reviewing the relationship between management and the Board of Directors;
- (p) reviewing and approving the Company's compliance with, and response to, the guidelines outlined in the TSX Venture Exchange Corporate Finance Manual;
- (q) determining annually which directors and committee members are considered to be independent, recommending its determination to the Board and providing the related analysis;
- (r) ensuring effective communication between management and the Board of Directors;
- (s) recommending procedures to allow the Board of Directors to function independently of management, including procedures to permit the Board of Directors to meet on a regular basis without a member of management being present;
- (t) reviewing and assessing the adequacy of this Charter periodically as conditions dictate to ensure compliance with any rules or regulations promulgated by any regulatory body having jurisdiction over the Company and recommending to the Board of Directors for its approval any modifications to this Charter as considered necessary; and
- (u) conducting an evaluation of the effectiveness of the Board and its committees on an annual basis.

4. Meetings

- 4.1 The quorum for a meeting of the Committee is a majority of the members of the Committee who are not employees or officers of the Company. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose.
- 4.2 The members of the Committee must elect a chair from among their number and may determine their own procedures.
- 4.3 The Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 4.4 Any member of the Committee may call a meeting of the Committee.

5. Reports

- 5.1 The Committee will record its recommendations to the Board of Directors in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

6. Resources

- 6.1 In performing its duties and exercising its authority, the Committee may utilize the services of the appropriate personnel of the Company and its parent.

7. Minutes

7.1 The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

APPENDIX 2

PARAGON ADVANCED LABS INC.

**CHARTER FOR THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

PARAGON ADVANCED LABS INC.
CHARTER FOR THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

Mandate

The primary function of the audit committee (the “**Audit Committee**”) is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels.

The Audit Committee’s primary duties and responsibilities are to:

- (a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- (b) assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- (c) review the quarterly and annual financial statements and management’s discussion and analysis of the Company’s financial position and operating results and in the case of the annual financial statements and related management’s discussion and analysis, report thereon to the Board for approval of same;
- (d) select and monitor the independence and performance of the Company’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- (e) provide oversight of all disclosure relating to, and information derived from, financial statements, management’s discussion and analysis and information.

Composition

The Audit Committee is comprised of a minimum of three directors, all of whom shall be *independent* and *financially literate* within the meaning of National Instrument 52-110 – *Audit Committees*.

The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

Meetings

The Audit Committee shall meet at least four times per annum, or more frequently as circumstances dictate.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.

(b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public including any certificate, report, opinion, or review rendered by the external auditors.

External Auditor

(a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.

(b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.

(c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

(d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

(e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

(f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

(g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

(i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provisions of non-audit services if:

(i) The aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

(ii) Such services were not recognized by the Company at the time of the engagement to be non-audit services; and

(iii) Such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

APPENDIX 3
PARAGON ADVANCED LABS INC.
OMNIBUS EQUITY INCENTIVE PLAN

PARAGON ADVANCED LABS INC.
OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

ARTICLE 1

ESTABLISHMENT, PURPOSE AND DURATION

1.1 Establishment of the Plan.

Paragon Advanced Labs Inc., a corporation incorporated under the provincial laws of British Columbia (the "**Company**"), hereby establishes an incentive compensation plan to be known as the Omnibus Equity Incentive Compensation Plan (the "**Plan**"). The Plan permits the grant of Options, Restricted Shares, Restricted Share Units, Deferred Share Units, Performance Shares, Performance Units and Share-Based Awards. The Plan shall be adopted and become effective on the date approved by the Board (the "**Effective Date**").

1.2 Purpose of the Plan.

The purposes of the Plan are: (i) to promote a significant alignment between Employees (including officers), Consultants and Directors (each as defined herein) of the Company and its Affiliates (as defined below) and the growth objectives of the Company; (ii) to associate a portion of such persons' compensation with the performance of the Company over the long term; and (iii) to attract, motivate and retain Employees, Consultants and Directors to drive the business success of the Company.

1.3 Duration of the Plan.

The Plan shall commence as of the Effective Date, as described in Section 1.1 herein, and shall remain in effect until terminated by the Board (as defined below) pursuant to Article 14 hereof.

ARTICLE 2

DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

"**Affiliate**" means any corporation, partnership or other entity (i) in which the Company, directly or indirectly, has majority ownership interest or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "control" such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

"**Award**" means, individually or collectively, a grant under this Plan of Options, Deferred Share Units, Restricted Shares, Restricted Share Units, Performance Shares, Performance Units or Share-Based Awards, in each case subject to the terms of this Plan.

"**Award Agreement**" means either (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under this Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

"**Blackout Period**" means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.

"Board" or **"Board of Directors"** means the Board of Directors of the Company.

"Cause" means any of:

- (a) dishonesty of the Participant as it relates to the performance of his duties in the course of his employment by, or as an officer or director of, the Company or an Affiliate;
- (b) fraud committed by the Participant;
- (c) willful disclosure of confidential or private information regarding the Company or an Affiliate by the Participant;
- (d) the Participant aiding a competitor of the Company or an Affiliate;
- (e) misappropriation of a business opportunity of the Company or an Affiliate by the Participant;
- (f) willful misconduct or gross negligence in the performance of the Participant's duties under his or her employment agreement;
- (g) a breach by the Participant of a material provision of his or her employment agreement or the Code of Business Conduct and Ethics adopted by the Company from time to time;
- (h) the willful and continued failure on the part of the Participant to substantially perform duties in the course of his employment by, or as an officer of, the Company or an Affiliate, unless such failure results from an incapacity due to mental or physical illness;
- (i) willfully engaging in conduct that is demonstrably and materially injurious to the Company or an Affiliate, monetarily or otherwise; or
- (j) any other act or omission by the Participant which would amount to just cause for termination at common law.

"Cashless Exercise" has the meaning given to it in Section 6.6.

"Change of Control" shall occur if any of the following events occur:

- (a) the acquisition, directly or indirectly and by any means whatsoever, by any person, or by a group of persons acting jointly or in concert, of beneficial ownership or control or direction over that number of Voting Securities which is greater than 50% of the total issued and outstanding Voting Securities immediately after such acquisition, unless such acquisition arose as a result of or pursuant to:
 - (i) an acquisition or redemption by the Company of Voting Securities which, by reducing the number of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by such person to 50% or more of the Voting Securities then outstanding;
 - (ii) acquisitions of Voting Securities which were made pursuant to a dividend reinvestment plan of the Company;
 - (iii) the receipt or exercise of rights issued by the Company to all the holders of Voting Securities to subscribe for or purchase Voting Securities or securities convertible into Voting Securities, provided that such rights are acquired directly from the Company and not from any other person;

- (iv) a distribution by the Company of Voting Securities or securities convertible into Voting Securities for cash consideration made pursuant to a public offering or by way of a private placement by the Company ("**Exempt Acquisitions**");
- (v) a stock-dividend, a stock split or other event pursuant to which such person receives or acquires Voting Securities or securities convertible into Voting Securities on the same pro rata basis as all other holders of securities of the same class ("**Pro-Rata Acquisitions**"); or
- (vi) the exercise of securities convertible into Voting Securities received by such person pursuant to an Exempt Acquisition or a Pro-Rata Acquisition ("**Convertible Security Acquisitions**");

provided, however, that if a person shall acquire 50% or more of the total issued and outstanding Voting Securities by reason of any one or a combination of (1) acquisitions or redemptions of Voting Securities by the Company, (2) Exempt Acquisitions, (3) Pro-Rata Acquisitions, or (4) Convertible Security Acquisitions and, after such share acquisitions or redemptions by the Company or Exempt Acquisitions or Pro-Rata Acquisitions or Convertible Security Acquisitions, acquires additional Voting Securities exceeding one per cent of the Voting Securities outstanding at the date of such acquisition other than pursuant to any one or a combination of Exempt Acquisitions, Convertible Security Acquisitions or Pro-Rata Acquisitions, then as of the date of such acquisitions such acquisition shall be deemed to be a "Change of Control";

- (b) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board of Directors, unless such election or appointment is approved by 50% or more of the Board of Directors in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened; and
- (c) any transaction or series of transactions, whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, whereby all or substantially all of the shares or assets of the Company become the property of any other person (the "**Successor Entity**"), (other than a subsidiary of the Company) unless:
 - (i) individuals who were holders of Voting Securities immediately prior to such transaction hold, as a result of such transaction, in the aggregate, more than 50% of the voting securities of the Successor Entity;
 - (ii) a majority of the members of the board of directors of the Successor Entity is comprised of individuals who were members of the Board of Directors immediately prior to such transaction; and
 - (iii) after such transaction, no person or group of persons acting jointly or in concert, holds more than 50% of the voting securities of the Successor Entity unless such person or group of persons held securities of the Company in the same proportion prior to such transaction.

"**Change of Control Price**" means (i) the highest price per Share offered in conjunction with any transaction resulting in a Change of Control (as determined in good faith by the Committee if any part of the offered price is payable other than in cash), or (ii) in the case of a Change of Control occurring solely by reason of a change in the composition of the Board, the highest Fair Market Value of the Shares on any of the thirty (30) trading days immediately preceding the date on which a Change of Control occurs, except if the relevant participant is subject to taxation under the ITA such Change of Control price shall be deemed to be a price determined by the Committee based on the closing price of a Share on the Exchange on the trading day preceding the Change of

Control date or based on the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the Change of Control date.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

"**Committee**" means the Board of Directors or if so delegated in whole or in part by the Board, or any duly authorized committee of the Board appointed by the Board to administer the Plan.

"**Common Shares**" means the Common Shares of the Company.

"**Company**" means Paragon Advanced Labs Inc., a corporation incorporated under the provincial laws of British Columbia, and any successor thereto as provided in Article 16 herein.

"**Consultant**" means a Person that:

- (a) is engaged to provide services to the Company or an Affiliate other than services provided in relation to a distribution of securities of the Company or an Affiliate;
- (b) provides the services under a written contract with the Company or an Affiliate; and
- (c) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate; provided that with respect to Consultants who are U.S. Persons, such Consultants shall be granted Awards under this Plan only if:
 - (i) they are natural persons;
 - (ii) they provide bona fide services to the Company or its majority-owned subsidiaries; and
 - (iii) such services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities.

"**Deferred Share Unit**" means an Award denominated in units that provides the holder thereof with a right to receive Shares upon settlement of the Award, granted under Article 8 herein and subject to the terms of this Plan.

"**Director**" means any individual who is a member of the Board of Directors or is a senior officer of the Company or any of the Company's subsidiaries.

"**Disability**" means the Participant's inability to substantially fulfil his or her duties on behalf of the Company or an Affiliate for a continuous period of six (6) months or more or the Participant's inability to substantially fulfil his or her duties on behalf of the Company or an Affiliate for an aggregate period of six (6) months or more during any consecutive twelve (12) month period; and if there is any disagreement between the Company or an Affiliate and the Participant as to the Participant's Disability or as to the date any such Disability began or ended, the same shall be determined by a physician mutually acceptable to the Company and the Participant whose determination shall be conclusive evidence of any such Disability and of the date any such Disability began or ended.

"**Dividend Equivalent**" means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

"**Employee**" means any employee of the Company or an Affiliate. Directors who are not otherwise employed by the Company or an Affiliate shall not be considered Employees under this Plan.

"**Exchange**" means TSX Venture Exchange or, if at any time the Shares are not listed and posted for trading on TSX Venture Exchange, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

"**Fair Market Value**" or "**FMV**" means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately prior to the grant date, (ii) the closing price of the Shares on the Exchange on the trading day immediately prior to the grant date or (iii) the closing price of the Shares on the Exchange on the grant date.

"**Fiscal Year**" means the Company's fiscal year commencing on April 1 and ending on March 31 or such other fiscal year as approved by the Board.

"**Insider**" shall have the meaning ascribed thereto in Section 1(1) of the *Securities Act* (Ontario).

"**ITA**" means the *Income Tax Act* (Canada).

"**Investor Relations Activities**" means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
 - (i) to promote the sale of products or services of the Company, or
 - (ii) to raise public awareness of the Company,

that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
- (b) activities or communications necessary to comply with the requirements of:
 - (i) applicable Securities Laws; and
 - (ii) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Company;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (i) the communication is only through the newspaper, magazine or publication; and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) activities or communications that may be otherwise specified by the Exchange.

"**Investor Relations Service Provider**" includes any Consultant that performs Investor Relations Activities and any director, officer, employee or management company employee whose role and duties primarily consist of Investor Relations Activities.

"Non-Employee Director" means a Director who is not an Employee.

"Notice Period" means any period of contractual notice or reasonable notice that the Company or the Affiliate may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

"Option" means the conditional right to purchase Shares at a stated Option Price for a specified period of time subject to the terms of this Plan.

"Option Price" means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

"Participant" means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan.

"Performance Goal" means a performance criterion selected by the Committee for a given Award.

"Performance Period" means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

"Performance Share" means an Award granted under Article 9 herein and subject to the terms of this Plan, denominated in Shares, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

"Performance Unit" means an Award granted under Article 9 herein and subject to the terms of this Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

"Period of Restriction" means the period when an Award of Restricted Share or Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

"Person" shall have the meaning ascribed to such term in Section 1(1) of the *Securities Act* (Ontario).

"Restricted Share" means an Award of Shares subject to a Period of Restriction, granted under Article 7 herein and subject to the terms of this Plan.

"Restricted Share Unit" means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares upon settlement of the Award, granted under Article 7 herein and subject to the terms of this Plan.

"Retirement" or **"Retire"** means a Participant's permanent withdrawal from employment or office with the Company or Affiliate on terms and conditions accepted and determined by the Board.

"Securities Laws" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Company.

"Shares" means common shares in the capital of the Company.

"Share-Based Award" means an equity-based or equity-related Award granted under Article 10 herein and subject to the terms of this Plan, and not otherwise described by the terms of this Plan.

"**Successor Entity**" has the meaning ascribed thereto under subsection (c) of the definition of Change of Control. "Total Share Authorization" has the meaning ascribed thereto under Section 4.1.

"**Trading Day**" means a day when trading occurs through the facilities of the Exchange.

"**Voting Securities**" shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

"**VWAP**" means the volume weighted average trading price of the Company's Common Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the exercise of the subject Option. Where appropriate, the Exchange may exclude internal crosses and certain other special terms trades from the calculation.

ARTICLE 3

ADMINISTRATION

3.1 General.

The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties.

3.2 Authority of the Committee.

The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining Performance Goals applicable to Awards and whether such Performance Goals have been achieved, making adjustments under Section 4.2 and, subject to Article 14, adopting modifications and amendments, or subplans to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and Affiliates operate.

3.3 Delegation.

The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

ARTICLE 4

SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 Number of Shares Available for Awards.

Subject to adjustment as provided in Section 4.2 herein, the number of Shares hereby reserved for issuance to Participants under the Plan, together with Shares reserved for issue under any other share compensation arrangements of the Company is unlimited, provided that the aggregate number of Shares issuable under the Plan or under any other share compensation arrangements of the Company, shall not exceed 10% of the total

number of Shares issued and outstanding from time to time (calculated on a non-diluted basis) (the "**Total Share Authorization**"). The Plan is an evergreen plan and any Shares subject to an Award that is exercised, settled, expired, forfeited or terminated will again become available for issuance under the Plan.

The number of securities issuable to insiders, at any time, under all security based compensation arrangements cannot exceed 10% of the issued and outstanding Shares of the Company. Within any one-year period, the number of Shares issued to Insiders pursuant to this Plan and all other share compensation arrangements of the Company shall not exceed 10% of the aggregate outstanding Shares of the Company.

4.2 Adjustments in Authorized Shares.

Subject to the approval of the Exchange, where applicable, in the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement or amalgamation that does not constitute a Change of Control under Article 13, or a consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the Total Share Authorization, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant with a Grant Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to this Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in this Plan) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants and the rules of any stock exchange or market upon which such Shares are listed or traded.

Subject to the provisions of Article 12 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under this Plan in connection with any such corporate event or transaction, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

ARTICLE 5

ELIGIBILITY AND PARTICIPATION

5.1 Eligibility.

Individuals eligible to participate in the Plan include all Employees, Non-Employee Directors and Consultants.

5.2 Actual Participation.

Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

5.3 Confirmation of Participants

For Awards granted to Employees, Consultants or Non-Employee Directors, the Company and the person granted the Award are responsible for ensuring and confirming that the person granted the Award is a bona fide Employee, Consultant or Non-Employee Director, as the case may be.

ARTICLE 6

STOCK OPTIONS AND AWARDS

6.1 Grant of Awards and Options.

Subject to the terms and provisions of the Plan, Awards may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion, provided that, if required by the Exchange or any regulatory bodies: (a) the aggregate number of Awards granted to any one person (and companies wholly owned by that person) in a 12 month period must not exceed 5% of the issued and outstanding shares of the Company, calculated on the date an option is granted to the person (unless the Company has obtained the requisite disinterested shareholder approval); (b) the aggregate number of Awards granted to any one Consultant in a 12 month period must not exceed 2% of the issued and outstanding shares of the Company, calculated on the date an Award is granted to the Consultant; and (c) the aggregate number of Options granted to all persons retained to provide Investor Relations Activities must not exceed 1% of the issued and outstanding shares of the Company in any 12 month period, calculated at the date that an option is granted to any such person. For clarity, persons retained to provide Investor Relations Activities are only eligible to receive Options as compensation.

6.2 Award Agreement.

Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

6.3 Option Price.

The Option Price for each grant of an Option under this Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant. Disinterested shareholder approval will be obtained for any reduction in the Option Price if the person granted the Option is an Insider of the Company at the time of the proposed amendment.

6.4 Duration of Options.

Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no Option shall be exercisable later than the fifth (5th) anniversary date of its

grant. Notwithstanding the foregoing, the expiry date of any Option shall be extended to the tenth business day following the last day of a Blackout Period if the expiry date would otherwise occur in a Blackout Period or within five days of the end of the Blackout Period.

6.5 Exercise of Options.

Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.6 Payment.

Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. The Option Price upon exercise of any Option shall be payable to the Company in full either: (a) in cash, certified cheque or wire transfer; or (b) by any other method approved or accepted by the Committee in its sole discretion subject to the rules of the Exchange and such rules and regulations as the Committee may establish. Subject to Section 6.7 and any governing rules or regulations, as soon as practicable after receipt of a notification of exercise and full payment for the Shares, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the person claiming through him, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s), but in any event, on or before the 15th day of the third month of the year following the year in which the Option was exercised.

A Participant shall have none of the rights of a shareholder in respect of the Shares until the shares are issued to such Participant.

Without limiting the foregoing, the Board may, in its sole discretion, permit the exercise of an Option through either:

- (a) a cashless exercise (a “Cashless Exercise”) mechanism, whereby the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm:
 - (i) agrees to loan money to a Participant to purchase the Shares underlying the Options to be exercised by the Participant;
 - (ii) then sells a sufficient number of Shares to cover the exercise price of the Options in order to repay the loan made to the Participant; and
 - (iii) receives an equivalent number of Shares from the exercise of the Options and the Participant receives the balance of Shares pursuant to such exercise, or the cash proceeds from the sale of the balance of such Shares (or in such other portion of Option Shares and cash as the broker and Participant may otherwise agree);

and

- (b) a net exercise (a “Net Exercise”) mechanism, whereby Options, excluding Options held by any Investor Relations Service Provider, are exercised without the Participant making any cash payment so the Company does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Shares that is the equal to the quotient obtained by dividing:

- (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options; by
- (ii) the VWAP of the underlying Shares.

For greater certainty, Options granted to a person engaged in Investor Relations Activities may not be exercised using by way of Net Exercise.

In the event of a Cashless Exercise or Net Exercise, the number of Options exercised, surrendered, or converted – and not the number of Shares actually issued – must be included when calculating the limits set forth in Section 6.1 of the Plan.

6.7 Restrictions on Share Transferability.

The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed and/or traded.

6.8 Death, Retirement and Termination of Employment.

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:
 - (i) the executor or administrator of the Participant's estate may exercise Options of the Participant equal to the number of Options that were exercisable at the Termination Date (as defined at Section 6.8(d) below);
 - (ii) the right to exercise such Options terminates on the earlier of: (i) the date that is 12 months after the Termination Date; and (ii) the date on which the exercise period of the particular Option expires. Any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Company on the Termination Date; and
 - (iii) such Participant's eligibility to receive further grants of Options under the Plan ceases as of the Termination Date.
- (b) Retirement: If a Participant voluntarily Retires then:
 - (i) any Options held by the Participant that are exercisable at the Termination Date continue to be exercisable by the Participant until the earlier of:
 - (A) the date that is six months after the Termination Date; and
 - (B) the date on which the exercise period of the particular Option expires.

- (ii) Any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Company on the Termination Date,
 - (iii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date, and
 - (iv) notwithstanding 6.8(b)(i) and 6.8(b)(ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Options are not affected by a change of employment arrangement within or among the Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate.
- (c) Termination of Employment: Except as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates (for any reason other than death or voluntary Retirement (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice)), then:
- (i) any Options held by the Participant that are exercisable at the Termination Date continue to be exercisable by the Participant until the earlier of:
 - (A) the date that is three months after the Termination Date; and
 - (B) the date on which the exercise period of the particular Option expires,
 - (ii) Any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Company on the Termination Date,
 - (iii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date, and
 - (iv) notwithstanding 6.8(c)(i) and 6.8(c)(ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Options are not affected by a change of employment arrangement within or among the Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate.
- (d) For purposes of section 6.8, the term, "Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Company or an Affiliate terminates:
- (i) by reason of the Participant's death, the date of death;

- (ii) for any reason whatsoever other than death, the date of the Participant's last day actively at work for or actively engaged by the Company or the Affiliate, as the case may be; and for greater certainty "Termination Date" in any such case specifically does not mean the date on which any period of contractual notice or reasonable notice that the Company or the Affiliate, as the case may be, may be required at law to provide to a Participant would expire; and
- (iii) the resignation of a director shall be considered to be a Retirement whereas the expiry of a director's term on the Board without re-election (or nomination for election) shall be considered to be a termination of his or her term of office.

6.9 Non-transferability of Options.

Except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, an Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, all Options granted to a Participant under this Article 6 shall be exercisable during such Participant's lifetime only by such Participant.

ARTICLE 7

RESTRICTED SHARE AND RESTRICTED SHARE UNITS

7.1 Grant of Restricted Shares or Restricted Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Shares and/or Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

7.2 Restricted Share or Restricted Share Unit Agreement.

Each Restricted Share and/or Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Shares or the number of Restricted Share Units granted, the settlement date for Restricted Share Units, and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest earlier than 1 year after the date of grant and no later than three years after the date of grant. Accelerated vesting may occur prior to the 1 year anniversary of the date of grant upon the occurrence of an event as outlined in Section 7.8(a).

7.3 Non-transferability of Restricted Share and Restricted Share Units.

Except as otherwise provided in this Plan or the Award Agreement, the Restricted Shares and/or Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the end of the applicable Period of Restriction specified in the Award Agreement (and in the case of Restricted Share Units until the date of settlement through delivery or other payment), or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Award Agreement at the time of grant or thereafter by the Committee. All rights with respect to the Restricted Shares and/or Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant, except as otherwise provided in the Award Agreement at the time of grant or thereafter by the Committee.

7.4 Other Restrictions.

The Committee shall impose, in the Award Agreement at the time of grant or anytime thereafter, such other conditions and/or restrictions on any Restricted Shares or Restricted Share Units granted pursuant to this Plan as it may deem advisable, including, without limitation, a requirement that Participants pay a stipulated purchase price for each Restricted Share or each Restricted Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Shares or Restricted Share Units.

To the extent deemed appropriate by the Committee, the Company may retain the certificates representing Restricted Shares, or Shares delivered in settlement of Restricted Share Units, in the Company's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse. Except as otherwise provided in this Article 7, Restricted Shares covered by each Restricted Share Award shall become freely transferable by the Participant after all conditions and restrictions applicable to such Shares have been satisfied or lapse, and Restricted Share Units shall be settled through payment in Shares.

7.5 Certificate Legend.

In addition to any legends placed on certificates pursuant to Section 7.4 herein, each certificate representing Restricted Shares granted pursuant to the Plan may bear a legend such as the following:

"The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary or by operation of law, is subject to certain restrictions on transfer as set forth in the Omnibus Equity Incentive Compensation Plan and in the associated Award Agreement. A copy of the Plan and such Award Agreement may be obtained from the Chief Financial Officer of Paragon Advanced Labs Inc."

7.6 Voting Rights.

To the extent required by law, Participants holding Restricted Shares granted hereunder shall have the right to exercise full voting rights with respect to those Shares during the Period of Restriction. A Participant shall have no voting rights with respect to any Restricted Share Units granted hereunder.

7.7 Dividends and Other Distributions.

During the Period of Restriction, Participants holding Restricted Shares or Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares, Restricted Shares or Restricted Share Units.

7.8 Death, Retirement and other Termination of Employment.

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:

- (i) any Restricted Share or Restricted Share Units held by the Participant that have not vested as at the Termination Date (as defined at Section 7.8(e) below) shall vest immediately;
 - (ii) any Restricted Shares and Restricted Share Units held by the Participant that have vested (including Restricted Shares and Restricted Share Units vested in accordance with Section 7.8(a)(i)) as at the Termination Date (as defined at Section 7.8(e) below), shall be paid to the Participant's estate in accordance with the terms of the Plan and Award Agreement; and
 - (iii) such Participant's eligibility to receive further grants of Restricted Share Units or Restricted Shares under the Plan ceases as of the Termination Date.
- (b) Disability: If a Participant suffers a Disability while an Employee, Director of, or Consultant to, the Company or an Affiliate and, as a result, his or her employment or engagement with the Company or an Affiliate is terminated:
 - (i) the number of Restricted Shares or Restricted Share Units held by the Participant and that have not vested (collectively referred to in this Section 7.8 as the "**Unvested Awards**") shall be reduced to be equal to the product of (A) the number of Unvested Awards; and (B) the fraction obtained when dividing (x) the number of calendar days from the date of the award of the Unvested Awards to the Termination Date (as defined at Section 7.8(e) below) and (x) the number of calendar days from the date of the award of the Unvested Awards to the original vesting date set out in the Award Agreement;
 - (ii) the number of Unvested Awards, as calculated pursuant to Section 7.8(b)(i), shall continue to vest in accordance with the terms of the Plan and Award Agreement; and
 - (iii) such Participant's eligibility to receive further grants of Restricted Share Units or Restricted Shares under the Plan ceases as of the Termination Date.
- (c) Retirement: If a Participant voluntarily Retires then:
 - (i) any Restricted Share Units held by the Participant that have vested before the Termination Date (as defined at Section 7.8(e) below) shall be paid to the Participant;
 - (ii) any Unvested Awards held by the Participant at the Termination Date (as defined at Section 7.8(e) below) shall continue to vest in accordance with the terms of the Plan and Award Agreement following the Termination Date (as defined at Section 7.8(e) below) until the earlier of: (i) the date determined by the Committee, in its sole discretion; and (ii) the date on which the Restricted Share Units vest pursuant to the original Award Agreement in respect of such Unvested Awards; and (iii) such Participant's eligibility to receive further grants of Restricted Share Units or Restricted Shares under the Plan ceases as of the Termination Date.
- (d) Termination other than Death, Disability or Retirement: Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term

of office or engagement terminates for any reason other than death, Disability or Retirement (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice), then:

- (i) any Restricted Share Units held by the Participant that have vested before the Termination Date (as defined at Section 7.8(e) below) shall be paid to the Participant. Any Restricted Share Units or Restricted Shares held by the Participant that are not yet vested at the Termination Date (as defined at Section 7.8(e) below) will be immediately cancelled and forfeited to the Company on the Termination Date;
 - (ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or an Affiliate provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date; and
 - (iii) notwithstanding Section 7.8(d)(i), unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Restricted Share Units and Restricted Shares are not affected by a change of employment arrangement within or among the Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate.
- (e) For purposes of Section 7.8, the term, "Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Company or an Affiliate terminates:
- (i) by reason of the Participant's death, the date of death;
 - (ii) by reason of termination for Cause, resignation by the Participant or Retirement, the Participant's last day actively at work for or actively engaged by the Company or an Affiliate;
 - (iii) by reason of Disability, the date of the Participant's last day actively at work for or actively engaged by the Company or an Affiliate;
 - (iv) for any reason whatsoever other than death, termination for Cause, Retirement or termination by reason of Disability, the later of the (A) date of the Participant's last day actively at work for or actively engaged by the Company or the Affiliate, and (B) the last date of the Notice Period; and
 - (v) the resignation of a director and the expiry of a director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of his or her term of office.
- (f) Change of Control: The occurrence of a Change of Control will not result in the vesting of Unvested Awards, provided that: (i) such Unvested Awards will continue to vest in accordance with the Plan and Award Agreement; and (ii) any Successor Entity agrees to assume the obligations of the Company in respect of such Unvested Awards.

- (g) Termination Following a Change of Control: Where a Participant's employment or term of office or engagement is terminated for any reason, other than for Cause, during the 24 months following a Change of Control, any Unvested Awards as at the date of such termination shall be deemed to have vested as at the date of such termination and shall become payable as at the date of termination.

7.9 Payment in Settlement of Restricted Share Units.

When and if Restricted Share Units become payable, the Participant issued such units shall be entitled to receive payment from the Company in settlement of such units, Shares (issued from treasury) of equivalent value (based on the FMV, as defined in the Award Agreement at the time of grant or thereafter by the Committee).

ARTICLE 8

DEFERRED SHARE UNITS

8.1 Grant of Deferred Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

8.2 Deferred Share Unit Agreement.

Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which the Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units.

8.3 Non-transferability of Deferred Share Units.

Except as otherwise provided in this Plan or the Award Agreement, the Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant, except as otherwise provided in the Award Agreement at the time of grant or thereafter by the Committee.

8.4 Termination of Employment, Consultancy or Directorship

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

ARTICLE 9

PERFORMANCE SHARES AND PERFORMANCE UNITS

9.1 Grant of Performance Shares and Performance Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Shares and/or Performance Units to Participants in such amounts and upon such terms as the Committee shall determine.

9.2 Value of Performance Shares and Performance Units.

Each Performance Share and Performance Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share or Performance Unit that will be paid to the Participant.

9.3 Earning of Performance Shares and Performance Units.

Subject to the terms of this Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Shares/Performance Units shall be entitled to receive payout on the value and number of Performance Shares/Performance Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time and no Performance Shares/Performance Units shall vest earlier than 1 year after the date of grant. Accelerated vesting may occur prior to the 1-year anniversary of the date of grant upon the occurrence of an event as outlined in Section 9.6(a).

9.4 Form and Timing of Payment of Performance Shares and Performance Units.

Payment of earned Performance Shares/Performance Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee will pay earned Performance Shares/Performance Units in the form of Shares issued from treasury equal to the value of the earned Performance Shares/Performance Units at the end of the applicable Performance Period. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee.

9.5 Dividends and Other Distributions.

The Committee shall determine whether Participants holding Performance Shares will receive Dividend Equivalents with respect to dividends declared with respect to the Shares. Dividends or Dividend Equivalents may be subject to accrual, forfeiture or payout restrictions as determined by the Committee in its sole discretion.

9.6 Death and other Termination of Employment.

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:
 - (i) the number of Performance Shares or Performance Units held by the Participant that have not vested (collectively referred to in this Section 9.6 as "**Unvested**")

Awards") shall be adjusted as set out in the applicable Award Agreement (collectively referred to in this Section 9.6 as "**Deemed Awards**");

- (ii) any Deemed Awards shall vest immediately;
 - (iii) any Performance Shares and Performance Units held by the Participant that have vested (including Deemed Awards vested in accordance with Section 9.6(a)(ii)) shall be paid to the Participant's estate in accordance with the terms of the Plan and Award Agreement; and
 - (iv) such Participant's eligibility to receive further grants of Performance Shares or Performance Units under the Plan ceases as of the Termination Date (as defined at Section 9.6(e) below).
- (b) Disability: If a Participant suffers a Disability while an Employee, officer or director of or Consultant to the Company or an Affiliate and as a result his or her employment with the company or Affiliate is terminated:
- (i) Unvested Awards shall be reduced to be equal to the product of (A) the number of Unvested Awards; and (B) the fraction obtained when dividing (x) the number of calendar days from the date of the award of the Unvested Awards to the Termination Date (as defined at Section 9.6(e) below) and (x) the number of calendar days from the date of the award of the Unvested Awards to the original vesting date set out in the Award Agreement;
 - (ii) the number of Unvested Awards, as calculated pursuant to Section 9.6(b)(i), shall continue to vest in accordance with the terms of the Participant's Plan and Award Agreement; and
 - (iii) such Participant's eligibility to receive further grants of Performance Units or Performance Shares under the Plan ceases as of the Termination Date.
- (c) Retirement: If a Participant voluntarily Retires then:
- (i) any Performance Shares or Performance Units held by the Participant that have vested before the Termination Date shall be paid to the Participant;
 - (ii) any Unvested Awards held by the Participant at the Termination Date (as defined at Section 9.6(e) below) shall continue to vest in accordance with the terms of the Plan and Award Agreement following the Termination Date until the earlier of: (i) the date determined by the Committee, in its sole discretion; and (ii) the date on which the Performance Units vest pursuant to the original Award Agreement in respect of such Unvested Awards; and (iii) such Participant's eligibility to receive further grants of Performance Shares or Performance Units under the Plan ceases as of the Termination Date.
- (d) Termination other than Death, Disability or Retirement: Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates for any reason other than death (whether such

termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice), then:

- (i) any Performance Units or Performance Shares held by the Participant that have vested before the Termination Date shall be paid to the Participant in accordance with the terms of the Plan and Award Agreement. Any Performance Units or Performance Shares held by the Participant that are not yet vested at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date;
 - (ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or an Affiliate provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date; and
 - (iii) notwithstanding Sections 9.6(c)(i) and (ii)9.6(c)(ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Performance Units or Performance Shares are not affected by a change of employment arrangement within or among the Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate.
- (e) For purposes of this Section 9.6, the term, "Termination Date" has the meaning set out in Section 7.8(e).
- (f) Change of Control: The occurrence of a Change of Control will not result in the vesting of Unvested Awards, provided that:
- (i) such Unvested Awards will continue to vest in accordance with the Plan and the Award Agreement;
 - (ii) the level of achievement of Performance Goals for Fiscal Years completed prior to the date of the Change of Control shall be based on the actual performance achieved to the date of the Change of Control and the level of achievement of Performance Goals for Fiscal Years completed following the date of the Change of Control shall be based on the assumed achievement of 100% of the Performance Goals;
 - (iii) the Committee does not unilaterally determine that all outstanding Awards shall be cancelled upon a Change of Control, pursuant to Section 13.1 herein; and
 - (iv) any Successor Entity agrees to assume the obligations of the Company in respect of such Unvested Awards or the Committee determines that such Unvested Awards shall be honored or assumed, or new rights substituted therefor by the Successor Entity, in accordance with Section 13.2 herein.
- (g) Termination following Change of Control: For the period of 24 months following a Change of Control, where a Participant's employment or term of office or engagement is terminated for any reason, other than for Cause:

- (i) any Unvested Awards as at the date of such termination shall be deemed to have vested as at the date of such termination and shall become payable as at the date of termination; and
- (ii) the level of achievement of Performance Goals for any Unvested Awards that are deemed to have vested pursuant to (i) above, shall be based on the actual performance achieved at the end of the Fiscal Year immediately prior to the date of termination.

9.7 Non-transferability of Performance Shares and Performance Units.

Except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, Performance Shares/Performance Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement or otherwise by the Committee at any time, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

ARTICLE 10

FULL VALUE SHARE-BASED AWARDS

10.1 Share-Based Awards.

The Committee may, to the extent permitted by the Exchange, grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares and issuance of unrestricted Shares in satisfaction of compensation (including salary, bonus or other incentive)) in such amounts and subject to such terms and conditions, including, but not limited to, being subject to performance criteria, or in satisfaction of such obligations, as the Committee shall determine; provided that the maximum number of Share-Based Awards issued in any calendar year shall not, when combined with any other Awards under any share compensation arrangement of the Company exceed 10% of the total number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).

10.2 Termination of Employment.

Each Award Agreement shall set forth the extent to which the Participant shall have the right to receive Share-Based Awards following termination of the Participant's employment or other relationship with the Company or Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Share-Based Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

10.3 Non-transferability of Share-Based Awards.

Except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, Share-Based Awards may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, a Participant's rights under the Plan shall be exercisable during such Participant's lifetime only by such Participant.

ARTICLE 11

BENEFICIARY DESIGNATION

11.1 Beneficiary.

A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

11.2 Discretion of the Committee.

Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 11, or both, in favor of another method of determining beneficiaries.

ARTICLE 12

RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

12.1 Employment.

Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate to terminate any Participant's employment, consulting or other service relationship with the Company or an Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or an Affiliate.

Neither an Award nor any benefits arising under this Plan shall constitute part of an employment or service contract with the Company or an Affiliate, and, accordingly, subject to the terms of this Plan, this Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Company or an Affiliate for severance payments or otherwise, except as provided in this Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates, shall not be deemed a termination of employment. The Committee may provide in a Participant's Award Agreement or otherwise the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate shall not be deemed a termination of employment for purposes of an Award.

12.2 Participation.

No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

12.3 Rights as a Shareholder.

A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.

ARTICLE 13

CHANGE OF CONTROL

13.1 Accelerated Vesting and Payment.

Subject to the provisions of Section 13.2 or as otherwise provided in the Plan or the Award Agreement, in the event of a Change of Control, the Committee shall have the discretion to unilaterally determine that all outstanding Awards shall be cancelled upon a Change of Control, and that the value of such Awards, as determined by the Committee in accordance with the terms of the Plan and the Award Agreements, shall be paid out in cash in an amount based on the Change of Control Price within a reasonable time subsequent to the Change of Control, subject to the approval of the Exchange.

13.2 Alternative Awards.

Notwithstanding Section 13.1, no cancellation, acceleration of vesting, lapsing of restrictions or payment of an Award shall occur with respect to any Award if the Committee reasonably determines in good faith prior to the occurrence of a Change of Control that such Award shall be honored or assumed, or new rights substituted therefor (with such honored, assumed or substituted Award hereinafter referred to as an "**Alternative Award**") by any successor to the Company or an Affiliate as described in Article 15; provided, however, that any such Alternative Award must:

- (a) be based on stock which is traded on the TSX Venture Exchange and/or the Toronto Stock Exchange;
- (b) provide such Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule (including vesting upon termination of employment) and identical or better timing and methods of payment;
- (c) recognize, for the purpose of vesting provisions, the time that the Award has been held prior to the Change of Control; and
- (d) have substantially equivalent economic value to such Award (determined prior to the time of the Change of Control).

ARTICLE 14

AMENDMENT, MODIFICATION, SUSPENSION AND TERMINATION

14.1 Amendment, Modification, Suspension and Termination.

- (a) Except as set out in clauses (b) and (c) below, and as otherwise provided by law, or Exchange rules, the Committee or Board may, at any time and from time to time, alter, amend, modify, suspend or terminate the Plan or any Award in whole or in part without notice to, or approval from, shareholders, including, but not limited to for the purposes of:

- (i) making any amendments to the general vesting provisions of any Award;
 - (ii) making any amendments to the general term of any Award provided that no Award held by an Insider may be extended beyond its original expiry date;
 - (iii) making any amendments to add covenants or obligations of the Company for the protection of Participants;
 - (iv) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, it may be expedient to make, including amendments that are desirable as a result of changes in law or as a "housekeeping" matter; or
 - (v) making such changes or corrections which are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.
- (b) Other than as expressly provided in an Award Agreement or as set out in Section 13.2 hereof or with respect to a Change of Control, the Committee shall not alter or impair any rights or increase any obligations with respect to an Award previously granted under the Plan without the consent of the Participant.
- (c) The following amendments to the Plan shall require the prior approval of the Company's shareholders, other than, in respect of the amendments contemplated under Sections 14.1(c)(i)-(iii) below, those carried out pursuant to Section 4.2 hereof:
- (i) A reduction in the Option Price of a previously granted Option benefitting an Insider of the Company or one of its Affiliates.
 - (ii) Any amendment or modification which would increase the total number of Shares available for issuance under the Plan.
 - (iii) An increase to the limit on the number of Shares issued or issuable under the Plan to Insiders of the Company;
 - (iv) An extension of the expiry date of an Option other than as otherwise permitted hereunder in relation to a Blackout Period or otherwise; or
 - (v) Any amendment to the amendment provisions of the Plan under this Section 14.1.

14.2 Adjustment of Awards Upon the Occurrence of Unusual or Non-recurring Events.

Subject to the approval of the Exchange, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or non-recurring events in addition to the events described in Section 4.2 hereof affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

14.3 Awards Previously Granted.

Notwithstanding any other provision of the Plan to the contrary, no termination, amendment, suspension or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award.

ARTICLE 15

WITHHOLDING

15.1 Withholding.

The Company or any Affiliate shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or any Affiliate, an amount sufficient to satisfy federal, state and local taxes or provincial, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising or as a result of this Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

15.2 Acknowledgement.

Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of this Plan; and (b) does not commit to and is under no obligation to structure the terms of this Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

ARTICLE 16

SUCCESSORS

Any obligations of the Company or an Affiliate under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or Affiliate, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, amalgamation, consolidation, reverse take over or otherwise, of all or substantially all of the businesses and/or assets of the Company or Affiliate, as applicable.

ARTICLE 17

GENERAL PROVISIONS

17.1 Forfeiture Events.

Without limiting in any way the generality of the Committee's power to specify any terms and conditions of an Award consistent with law, and for greater clarity, the Participant's rights, payments and benefits with respect to an Award shall, at the sole discretion of the Committee, be subject to reduction, cancellation, forfeiture of any vested and unvested Awards or recoupment of any payments or settlements made in the

current Fiscal Year or immediately prior Fiscal Year (provided such determination is made within 45 days of the end of that Fiscal Year) upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such specified events shall include, but shall not be limited to, any of: (a) the Participant's failure to accept the terms of the Award Agreement, violation of material Company and Affiliate policies, breach of non-competition, confidentiality, non-solicitation, non-interference, corporate property protection or other agreements that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company and Affiliates; (b) the Participant's misconduct, fraud, gross negligence; and (c) the restatement of the financial statements of the Company that resulted in Awards which should not have vested, settled, or been paid had the original financial statements been properly stated. Except as expressly otherwise provided in this Plan or an Award Agreement, the termination and the expiry of the period within which an Award will vest and may be exercised by a Participant shall be based upon the last day of actual service by the Participant to the Company and specifically does not include any period of notice that the Company may be required to provide to the Participant under applicable employment law.

17.2 Legend.

The certificates for Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

17.3 Delivery of Title.

The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

17.4 Investment Representations.

The Committee may require each Participant receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

17.5 Uncertificated Shares.

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non-certificated basis to the extent not prohibited by applicable law or the rules of any applicable stock exchange.

17.6 Unfunded Plan.

Participants shall have no right, title or interest whatsoever in or to any investments that the Company or an Affiliate may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or an Affiliate and any Participant, beneficiary, legal representative or any other person. Awards shall be general unsecured obligations of the Company, except

that if an Affiliate executes an Award Agreement instead of the Company the Award shall be a general unsecured obligation of the Affiliate and not any obligation of the Company. To the extent that any individual acquires a right to receive payments from the Company or an Affiliate, such right shall be no greater than the right of an unsecured general creditor of the Company or Affiliate, as applicable. All payments to be made hereunder shall be paid from the general funds of the Company or Affiliate, as applicable, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan.

17.7 No Fractional Shares.

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

17.8 Other Compensation and Benefit Plans.

Nothing in this Plan shall be construed to limit the right of the Company or an Affiliate to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

17.9 No Constraint on Corporate Action.

Nothing in this Plan shall be construed (i) to limit, impair or otherwise affect the Company's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or an Affiliate to take any action which such entity deems to be necessary or appropriate.

17.10 Compliance with Canadian Securities Laws.

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of applicable Securities Laws.

ARTICLE 18

LEGAL CONSTRUCTION

18.1 Gender and Number.

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

18.2 Severability.

In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

18.3 Requirements of Law.

The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Company or an Affiliate to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or an Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

18.4 Governing Law.

The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

18.5 Compliance with Section 409A of the Code.

- (a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that this Plan and any Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. This Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.
- (b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change in control event," "disability," or "separation from service," as the case may be, in Section 409A of the Code and applicable proposed or final treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under this Plan or any Award Agreement.
- (c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Article 18.5 will apply to a Participant who is subject to taxation under the ITA.