

INV METALS INC.
STOCK OPTION PLAN

1. PURPOSE

The purpose of this stock option plan (the “Plan”) is to authorize the grant to service providers for INV Metals Inc. (the “Corporation”) of options to purchase common shares (“shares”) of the Corporation's capital and thus benefit the Corporation by enabling it to attract, retain and motivate service providers by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

2. ADMINISTRATION

The Plan shall be administered by the board of directors of the Corporation or a committee established by the board of directors for that purpose (the “Committee”). Subject to approval of the granting of options by the board of directors or Committee, as applicable, the Corporation shall grant options under the Plan.

3. SHARES SUBJECT TO PLAN

Subject to adjustment under the provisions of paragraph 11 hereof, the aggregate number of shares of the Corporation which may be issued and sold under the Plan will not exceed 10% of the total number of issued and outstanding shares of the Corporation from time to time. The Corporation shall not, upon the exercise of any option, be required to issue or deliver any shares prior to (a) the admission of such shares to listing on any stock exchange on which the Corporation's shares may then be listed, and (b) the completion of such registration or other qualification of such shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee. Any increase in the issued and outstanding shares will result in an increase in the available number of shares issuable under the Plan, and any exercises of options will make new grants available under the Plan effectively resulting in a re-loading of the number of options available to grant under the Plan.

4. ELIGIBILITY

Options shall be granted only to service providers for the Corporation. The term “service providers for the Corporation” means (a) any full or part-time employee (“Employee”) or officer, or insider of the Corporation or any of its subsidiaries; (b) any other person employed by a company or individual providing management services to the Corporation (“Management Company Employee”); (c) any other person or company engaged to provide ongoing consulting services for the Corporation or any entity controlled by the Corporation (“Consultant”) or (d) any individual engaged to provide services that promote the purchase or sale of the issued securities (“Investor Relations Employee”) (any person in (a) (b), (c) or (d) hereinafter referred to as an “Eligible Person”); and (e) any registered retirement savings plan established by such Eligible Person, or any corporation controlled by such Eligible Person, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Person and/or the spouse, children and/or grandchildren of such Eligible Person. For stock options to Employees, Consultants or Management Company Employees, the Corporation must represent that the optionee is a bona fide Employee, Consultant or Management Company Employee as the case may be. The terms “insider”, “controlled” and “subsidiaries” shall have the

meanings ascribed thereto in the *Securities Act* (Ontario) from time to time. Subject to the foregoing, the board of directors or Committee, as applicable, shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of shares subject to each option.

5. PRICE

The purchase price (the “**Price**”) for the shares of the Corporation under each option shall be determined by the board of directors or Committee, as applicable, on the basis of the market price at the time the option is granted, where “market price” shall mean the closing price of the shares of the Corporation on the Toronto Stock Exchange (the “**TSX**”) or another stock exchange or dealing network where the majority of the trading volume or value of the shares occurs, on the date immediately preceding the date of the option grant in question, subject to applicable laws and regulations, and where there is no such closing price or trade on the prior trading day, “market price” shall mean the average of the most recent bid and ask of the shares of the Corporation on any stock exchange on which the shares are listed or dealing network on which the shares of the Corporation trade. In the event the shares are listed on the TSX, the price may not be less than the market price less any discounts from the market price allowed by the TSX.

6. PERIOD OF OPTION AND RIGHTS TO EXERCISE

Subject to the provisions of this paragraph 6 and paragraphs 7, 8, 9 and 16 below, options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding the later of (i) five years following the date of grant thereof; and (ii) the date which is the fifth business day following the conclusion of a self-imposed blackout period of the Corporation which is in effect on the date which is five years following the date of grant thereof. The shares to be purchased upon each exercise of any option (the “optioned shares”) shall be paid for in full at the time of such exercise. Except as provided in paragraphs 7, 8, 9 and 16 below, no option which is held by a service provider may be exercised unless the optionee is then a service provider for the Corporation.

7. CESSATION OF PROVISION OF SERVICES

Subject to paragraph 9 below, if any optionee who is a service provider shall cease to be a service provider for the Corporation for any reason (except as otherwise provided in paragraphs 8 or 9 below) (whether or not for cause) the optionee may, but only within the period of ninety days, or thirty days if the service provider is an Investor Relations Employee, next succeeding such cessation and in no event after the expiry date of the optionee's option, exercise the optionee's options which have vested as of the date of such cessation, unless such period is extended as provided in paragraph 9 below or reduced in accordance with any agreement pursuant to which the option is granted. For greater certainty, no options shall vest following the date upon which an optionee who is a service provider shall cease to be a service provider of the Corporation for any reason, unless otherwise approved by the board of directors.

8. DEATH OF OPTIONEE

Subject to paragraph 9 below, in the event of the death of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall be exercisable within, but only within, the period of one year next succeeding the optionee's death and in no

event after the expiry date of the option. Before expiry of an option under this paragraph 8, the board of directors or Committee, as applicable, shall notify the optionee's representative in writing of such expiry.

9. EXTENSION OF OPTION

In addition to the provisions of paragraphs 7 and 8, the board of directors or Committee, as applicable, may extend the period of time within which an option held by a deceased optionee may be exercised or within which an option may be exercised by an optionee who has ceased to be a service provider for the Corporation, but such an extension shall not be granted beyond the original expiry date of the option. Any extensions of options granted under this Plan are subject to applicable regulatory approval.

10. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTION

An option granted under the Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

11. ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The options granted under the Plan may contain such provisions as the board of directors, or Committee, as applicable, may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. If there is a reduction in the exercise price or an extension of the term of the options of an insider of the Corporation under any circumstances, the Corporation will be required to obtain approval from disinterested shareholders.

12. AMENDMENT AND TERMINATION OF THE PLAN

The board of directors or Committee may amend the Plan at any time, and without shareholder approval, provided however, that no such amendment may materially and adversely affect any option previously granted to an optionee without the consent of the optionee, except to the extent required by law. Any such amendment shall be subject to the receipt of requisite regulatory approval including, without limitation, the approval of any stock exchange upon which the shares may trade from time to time, provided, however, that no such amendment may: (i) increase the maximum number of shares that may be optioned under the Plan; (ii) change the manner of determining the minimum Price; or (iii) effect a reduction in the exercise price or extension of the term of any options granted to an insider of the Corporation, unless shareholder and regulatory approval is obtained. Any amendments to the terms of an option under the Plan shall also require regulatory approval, including without limitation, the approval of any stock exchange upon which the shares may trade from time to time. For greater certainty, the board of directors or Committee may make the following amendments without seeking the approval of the shareholders of the Corporation:

- (i) amendments to the Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty;
- (ii) amendments to the vesting provisions of a security or the Plan;
- (iii) amendments to the termination provisions of a security or a Plan which does not entail an extension beyond the original expiry date thereof;
- (iv) amendments to the exercise price (so long as any reduction does not cause the exercise price to go below the current “market price” as defined in paragraph 5 hereof) unless such amendment would benefit “insiders” as defined in the *Securities Act* (Ontario)); and
- (v) the inclusion of cashless exercise provisions in the Plan or in any option granted thereunder, which provide for a full deduction of the number of underlying securities from the Plan reserve.

13. EFFECTIVE DATE OF THE PLAN

The Plan becomes effective on the date of its approval by the shareholders of the Corporation.

14. EVIDENCE OF OPTIONS

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan.

15. EXERCISE OF OPTION

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its registered office a written notice of exercise specifying the number of shares with respect to which the option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the shares then being purchased.

Upon receipt of a certificate of an authorized officer directing the issue of shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the optioned shares in the name of such optionee or the optionee's legal personal representative or as may be directed in writing by the optionee's legal personal representative.

Notwithstanding any other provision herein, no options may be exercised during any self-imposed blackout period of the Corporation. In the event that the expiry date of an option falls within any such self-imposed blackout period, such expiry date shall be the date which is the fifth business day following the conclusion of such blackout period of the Corporation.

16. VESTING RESTRICTIONS

Options issued under the Plan may vest at the discretion of the board of directors or Committee, as applicable, provided that the number of shares which may be acquired pursuant to the Plan shall not exceed a specified number or percentage during the term of the option.

17. NOTICE OF SALE OF ALL OR SUBSTANTIALLY ALL SHARES OR ASSETS

If at any time when an option granted under this Plan remains unexercised with respect to any optioned shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or
- (b) a third party makes a *bona fide* formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Acceleration Event;

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the board of directors or Committee, as applicable, has determined that no adjustment shall be made pursuant to section 11 hereof, (i) the board of directors or Committee, as applicable, may permit the optionee to exercise the option granted under this Plan, as to all or any of the optioned shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the option), so that the optionee may participate in such transaction, offer or proposal; and (ii) the board of directors or Committee, as applicable, may require the acceleration of the time for the exercise of the said option and of the time for the fulfilment of any conditions or restrictions on such exercise.

For these purposes, an Acceleration Event means:

- (a) the acquisition by any “offeror” (as defined in Part XX of the *Securities Act* (Ontario)) of beneficial ownership of more than 50% of the outstanding voting securities of the Corporation, by means of a takeover bid or otherwise;
- (b) any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation would be converted into cash, securities or other property, other than a merger of the Corporation in which shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;
- (c) any sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation; or
- (d) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

18. RIGHTS PRIOR TO EXERCISE

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

19. GOVERNING LAW

This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

20. EXPIRY OF OPTION

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the option has not been exercised.