

**ALMADEN MINERALS LTD.**  
**(the “Company”)**

**STOCK OPTION PLAN**

**BACKGROUND**

The Company’s present Option Plan was created with the approval (effective December 20, 2001) of the shareholders of the predecessor companies, became effective at the time of the listing of the Company’s shares on the TSX (as an amalgamated company) and was limited to 1,000,000 shares (the “Original Plan”). At the Company’s 2002 AGM (June 28, 2002), the Original Plan was amended to increase the number of options to purchase shares of the Company to 2,000,000 shares. At the annual general meeting of the Company (June 4, 2004) the Original Plan was further amended to increase the number of shares on which options could be granted to 2,900,000 shares. Both amendments were approved by disinterested shareholder vote and approved by the Toronto Stock Exchange (“TSX”).

The TSX, effective January 1, 2005, adopted a number of amendments to the TSX Company Manual (referred to herein as the “TSX Amendments”), including amendments with respect to the TSX’s policies and requirements regarding security based compensation arrangements. The TSX Amendments permits, among other things, “rolling maximum” or “evergreen” plans which fix a maximum number of shares issuable thereunder as a percentage of the issued and outstanding securities.

In accordance with the TSX Amendments the following terms and conditions are constituted as the terms and conditions of the Plan

**1. STATEMENT OF PURPOSE**

1.1 Principal Purposes – The principal purposes of the Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of employees, officers, directors and consultants responsible for the continued success of the Company; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such individuals to remain with the Company; and to attract new employees, officers, directors and consultants to the Company.

1.2 Benefit to Shareholders – The Plan is expected to benefit shareholders by enabling the Company to attract and retain skilled and motivated personnel by offering such personnel an opportunity to share in any increase in value of the Shares resulting from their efforts.

**2. INTERPRETATION**

2.1 Defined Terms – For the purposes of this Plan, the following terms shall have the following meanings:

- (a) “**Act**” means the Securities Act (British Columbia) , as amended from time to time;
- (b) “**Affiliate**” shall have the meaning ascribed to such term in the Act;
- (c) “**Associate**” shall have the meaning ascribed to such term in the Act;
- (d) “**Board**” means the board of directors from time to time of the Company;

- (e) **“Change in Control”** means:
- (i) a takeover bid (as defined in the Act), which is successful in acquiring Shares;
  - (ii) the change of control of the Board resulting from the election by the members of the Company of less than a majority of the persons nominated for election by management of the Company;
  - (iii) the sale of all or substantially all the assets of the Company;
  - (iv) the sale, exchange or other disposition of a majority of the outstanding Shares in a single transaction or series of related transactions;
  - (v) the dissolution of the Company’s business or the liquidation of its assets;
  - (vi) a merger, amalgamation or arrangement of the Company in a transaction or series of transactions in which the Company’s shareholders receive less than 51% of the outstanding shares of the new or continuing corporation; or
  - (vii) the acquisition, directly or indirectly, through one transaction or a series of transactions, by any Person, of an aggregate of more than 50% of the outstanding Shares;
- (f) **“Committee”** means a committee of the Board appointed in accordance with this Plan, or if no such committee is appointed, the Board itself;
- (g) **“Company”** means Almaden Minerals Ltd., a company amalgamated under the laws of the Province of British Columbia;
- (h) **“Consultant”** shall have the meaning ascribed to such term in Multilateral Instrument 45-105 or any successor securities instrument adopted under the Act;
- (i) **“Date of Grant”** means the date specified in the Option Agreement as the date on which the Option is effectively granted;
- (j) **“Disability”** means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (i) being employed or engaged by the Company, a Related Company or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or a Related Company; or
  - (ii) acting as a director or officer of the Company or a Related Company;
- (k) **“Disinterested Shareholder Approval”** means an ordinary resolution approved by a majority of the votes cast at a shareholders’ meeting of the Company, excluding votes attaching to Shares beneficially owned by Insiders to whom Options may be granted and Associates and affiliates of those persons;
- (l) **“Effective Date”** means the effective date of this Plan, which is the later of the day of its approval by the shareholders of the Company and the day of its acceptance for filing by the TSX;

- (m) **“Eligible Person”** means:
- (i) an Employee, senior officer or director of the Company or any Related Company,
  - (ii) a Consultant,
  - (iii) an issuer, all of the voting securities of which are beneficially owned by one or more of the persons referred to in (i) above,
  - (iv) a Management Company Employee if at the Date of Grant the Company is a “reporting issuer” as defined in the Act;
- (n) **“Employee”** means:
- (i) an individual who is considered an employee under the Income Tax Act (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
  - (ii) an individual who works full-time for the Company or a Related Company providing services normally provided by an employee and who is subject to the same control and direction by the Company or a Related Company over the details and methods of work as an employee of the Company or a Related Company, but for whom income tax deductions are not made at source,
  - (iii) an individual who works for the Company or a Related Company, on a continuing and regular basis for a minimum amount of time per week, providing services normally provided by an employee and who is subject to the same control and direction by the Company or a Related Company over the details and methods of work as an employee of the Company or a Related Company, but for whom income tax deductions are not made at source;
- (o) **“Exchange Act”** means the United States Securities Exchange Act of 1934, as amended;
- (p) **“Market Price”** means the VWAP on TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the Date of Grant subject always that in certain exceptional circumstances, the 5 day VWAP may not accurately reflect the securities’ current market price and TSX may adjust the VWAP based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period;
- (q) **“Guardian”** means the guardian, if any, appointed for an Optionee;
- (r) **“Insider”** shall have the meaning ascribed to such term in the Act;
- (s) **“Investor Relations Activities”** means any activities or oral or written communications, by or on behalf of the Company or a security holder of the Company that promotes or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

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

that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
- (ii) activities or communications necessary to comply with the requirements of:
  - (a) applicable securities; or
  - (b) the rules and policies of any exchange on which the shares of the Company are listed, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange (including laws of any foreign jurisdiction) having jurisdiction over or governing the Company; or
- (iii) 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
  - (a) the communication is only through the newspaper, magazine or publication; and
  - (b) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer.
- (t) **“Management Company Employee”** means an individual employed by a Person providing management services to the Company, which management services are required for the ongoing successful operation of the business enterprise of the Company but excluding a Person engaged in Investor Relations Activities;
- (u) **“Option”** means an option to purchase unissued Shares granted pursuant to the terms of this Plan;
- (v) **“Option Agreement”** means a written agreement between the Company and an Optionee specifying the terms of the Option being granted to the Optionee under the Plan;
- (w) **“Option Price”** means the exercise price per Share specified in an Option Agreement which shall be not less than the Market Price on the date of Grant, adjusted from time to time in accordance with the provisions of Sections 6.3 and 10;
- (x) **“Optionee”** means an Eligible Person to whom an Option has been granted;
- (y) **“Person”** means a natural person, company, government or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;

- (z) “**Plan**” means this Amended Option Plan of the Company and where the context requires includes the Original Plan;
- (aa) “**Qualified Successor**” means a person who is entitled to ownership of an Option upon the death of an Optionee, pursuant to a will or the applicable laws of descent and distribution upon death or a “permitted assign” as that term is defined in MI 45-105;
- (bb) “**Related Company**” shall mean a company which is an Affiliate of the Company;
- (cc) “**Shares**” means the common shares in the capital of the Company as constituted on the Date of Grant, adjusted from time to time in accordance with the provisions of Section 10;
- (dd) “**Term**” means the period of time during which an Option may be exercised;
- (ee) “**TSX**” means the Toronto Stock Exchange; and
- (ff) “**VWAP**” means the volume weighted average trading price of the listed securities, calculated by dividing the total value by the total volume of securities traded for the relevant period.

### 3. ADMINISTRATION

3.1 **Board or Committee** – The Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2.

3.2 **Appointment of Committee** – The Board may at any time appoint a Committee, consisting of not less than three of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan. In the absence of the appointment of a Committee by the Board, the Board shall administer the Plan.

3.3 **Quorum and Voting** – A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Section 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. No member of the Committee who is a director to whom an Option may be granted may participate in the decision to grant such Option (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee in which action is to be taken with respect to the granting of an Option to him).

3.4 **Powers of Board and Committee** – The Board shall from time to time authorize and approve the grant by the Company of Options under this Plan, and any Committee appointed under Section 3.2 shall have the authority to review the following matters in relation to the Plan and to make recommendations thereon to the Board:

- (a) administration of the Plan in accordance with its terms;
- (b) determination of all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the value of the Shares;

- (c) correction of any defect, supply of any information or reconciliation of any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (d) prescription, amendment and rescission of the rules and regulations relating to the administration of the Plan;
- (e) determination of the duration and purpose of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of the Plan;
- (f) with respect to the granting of Options:
  - (i) determination of the employees, officers, directors or consultants to whom Options will be granted, based on the eligibility criteria set out in this Plan;
  - (ii) determination of the terms and provisions of the Option Agreement which shall be entered into with each Optionee (which need not be identical with the terms of any other Option Agreement) and which shall not be inconsistent with the terms of this Plan;
  - (iii) amendment of the terms and provisions of the Plan or an Option Agreement, provided the Board obtains:
    - (a) the consent of the Optionee in the case of amendment to an Option Agreement; and
    - (b) if required, the approval of any stock exchange on which the Shares are listed,
  - (iv) determination of when Options will be granted;
  - (v) determination of the number of Shares subject to each Option;
  - (vi) determination of the vesting schedule, if any, for the exercise of each Option; and
- (g) other determinations necessary or advisable for administration of the Plan.

3.5 **Obtain Approvals** – The Board will seek to obtain any regulatory, TSX or shareholder approvals which may be required pursuant to applicable securities laws or TSX rules.

3.6 **Administration by Committee** – The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Committee’s administration of the Plan shall in all respects be consistent with the TSX policies and rules.

#### 4. **ELIGIBILITY**

4.1 **Eligibility for Options** – Options may be granted to any Eligible Person.

4.2 **Insider Eligibility for Options** – Notwithstanding Section 4.1, grants of Options to Insiders shall be subject to the policies of the TSX.

4.3 **No Violation of Securities Laws** – No Option shall be granted to any Optionee unless the Committee has determined that the grant of such Option and the exercise thereof by the Optionee will not violate the securities law of the jurisdiction in which the Optionee resides.

## 5. **SHARES SUBJECT TO THE PLAN**

5.1 **Number of Shares** – The maximum number of Shares issuable from time to time under this Plan, together with all of the Company's previously established and outstanding stock option plans or grants, is that number of Shares as is equal to 10% of the number of issued Shares at the Date of Grant of an Option, of which 2,900,000 Shares are currently reserved for issuance pursuant to stock options granted under the Original Plan prior to the adoption of this Plan by the Board. The maximum number of Shares issuable under the Plan shall be adjusted, where necessary, to take account of the events referred to in Section 10.

5.2 **Expiry of Option** – If an Option whether granted under the Plan or the Original Plan expires or terminates for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purposes of the Plan.

5.3 **Reservation of Shares** – The Company will at all times reserve for issuance and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

## 6. **OPTION TERMS**

6.1 **Option Agreement** – Each Option granted to an Optionee shall be confirmed by the execution and delivery of an Option Agreement and the Board shall specify the following terms in each such Option Agreement:

- (a) the number of Shares subject to option pursuant to such Option, subject to the following limitations if the Shares are listed in Canada only on the TSX:
  - (i) the number of shares reserved for issuance pursuant to Options to any one Consultant shall not exceed 2% of the issued Shares in any 12-month period, and
  - (ii) the aggregate number of Shares reserved for issuance pursuant to Options to Persons employed to provide Investor Relations Activities shall not exceed 2% of the issued Shares in any 12-month period;
- (b) the Date of Grant;
- (c) the Term, provided that, if the Shares are listed in Canada only on the TSX, the length of the Term shall in no event be greater than five years following the Date of Grant,
- (d) the Option Price, provided that the Option Price shall not be less than the Market Price of the Shares on the Date of Grant;
- (e) if the Optionee is an Employee, Consultant or Management Company Employee, a representation by the Company and the Optionee that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or a Related Company; and

- (f) such other terms and conditions as the Board deems advisable and are consistent with the purposes of this Plan, provided however that if the expiration date of a grant of option to an Eligible Person (other than an Insider) falls within a black out period self-imposed by the Company, or within 10 business days after a black out period self-imposed by the Company (such 10 business days herein referred to as the “Black Out Expiration Term”), the time for exercise of such option shall be extended to the last day of the Black Out Expiration Term.

6.2 **Vesting Schedule** – Options granted to Consultants performing Investor Relations Activities shall vest in stages over 12 months with no more than ¼ of such Options so granted vesting in any three month period.

6.3 **Amendments to Options** – Amendments to the terms of previously granted Options are subject to regulatory approval, if required.

6.4 **Uniformity** – Except as expressly provided herein, nothing contained in this Plan shall require that the terms and conditions of Options granted under the Plan be uniform.

## 7. **EXERCISE OF OPTION**

7.1 **Method of Exercise** – Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Section 6 hereof, an Optionee may exercise an Option by giving written notice thereof, specifying the number of Shares in respect of which the Option is exercised, to the Company at its principal place of business at any time after the Date of Grant until 4:00 p.m. (Vancouver time) on the last day of the Term, such notice to be accompanied by full payment of the aggregate Option Price to the extent the Option is so exercised. Such payment shall be in lawful money (Canadian funds) by cash, cheque, bank draft or wire transfer. Payment by cheque made payable to the Company in the amount of the aggregate Option Price shall constitute payment of such Option Price unless the cheque is not honoured upon presentation, in which case the Option shall not have been validly exercised. An Eligible Person to whom an Option has been granted (“Eligible Optionee”) may, rather than exercise any Option to which the Eligible Optionee is then entitled pursuant to the Plan, elect to terminate such Option, in whole or in part, and, in lieu of purchasing the common shares to which the Option, or part thereof, so terminated relates (the “Optioned Shares”), elect to exercise the right (the “Share Appreciation Right”) to receive that number of common shares, disregarding fractions, which, when multiplied by the VWAP have a value equal to the product of the number of Optioned Shares to which the Option, or part thereof, so terminated relates, multiplied by the difference between the Market Price determined as of the day immediately preceding the date of termination of such Option, or part thereof, and the exercise price per share of the Optioned Shares to which the Option, or part thereof, so terminated relates, less any amount (which amount may be withheld in Optioned Shares) required to be withheld on account of income taxes, which withheld income taxes will be remitted by the Company. VWAP shall be calculated for 5 consecutive trading days before such date on the TSX.

7.2 **Issuance of Certificates** – Not later than the third business day after exercise of an Option in accordance with Section 7.1, the Company shall issue and deliver to the Optionee a certificate or certificates evidencing the Shares with respect to which the Option has been exercised. Until the issuance of such certificate or certificates, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the certificate is issued, except as provided by Section 10 hereof.

7.3 **Compliance with U.S. Securities Laws** – As a condition to the exercise of an Option, the Board may require the Optionee to represent and warrant in writing at the time of such exercise that the Shares are being purchased only for investment and without any then-present intention to sell or distribute such Shares. At the option of the Board, a stop-transfer order against such Shares may be placed on the stock books and records of the Company and a legend, indicating that the stock may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any applicable law or regulation, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Board may also require such other documentation as may from time to time be necessary to comply with United States' federal and state securities laws. The Company has no obligation to undertake registration of Options or the Shares issuable upon the exercise of the Options.

## 8. TRANSFERABILITY OF OPTIONS

8.1 **Non-Transferable/Legending** – Except as to a Qualified Successor or as otherwise permitted by applicable securities laws, and as provided otherwise in this Section 8, Options are non-assignable and non-transferable. The Shares shall be subject to any resale restrictions and legending requirements under applicable securities laws.

8.2 **Vesting** – Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.3 **Deemed Non-Interruption of Employment** – Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to reemployment with the Company or any Related Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's reemployment is not so guaranteed, then the Optionee's employment shall be deemed to have terminated on the ninety-first day of such leave.

## 9. TERMINATION OF OPTIONS

9.1 **Termination of Options** – To the extent not earlier exercised or terminated in accordance with Section 8, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Agreement;
- (b) **Death of Optionee** – If the employment of an Optionee as an Employee of, or the services of a Consultant providing services to, the Company or any Related Company, or the employment of an Optionee as a Management Company Employee, or the position of the Optionee as a director or senior officer of the Company or any Related Company, terminates as a result of such Optionee's death, any Options held by such Optionee shall pass to the Qualified Successor of the Optionee and shall be exercisable by such Qualified Successor until the earlier of a period of twelve months following the date of such death and the expiry of the Term of the Option;
- (c) **Cessation of Employment** – Upon an Optionee's employment with the Company being terminated for cause, any option not exercised terminates immediately. If an Optionee is a director and is removed from office, any option not exercised terminates immediately. If an optionee becomes permanently disabled or dies, any option may be exercised for a period of six months after the date of permanent disability or death. If an Optionee's

employment, office, term as a director, or service provider relationship is ended or expires other than by termination for cause, such option may be exercised for a period of thirty days after such ending;

- (d) **Amalgamation** – In the event of the Company propose to amalgamate, merge or consolidate with or into any other company (other than with a wholly owned subsidiary of the Company) or to liquidate, dissolve or wind up, or in the event an offer to purchase the Common Shares of the Company or any part thereof shall be made to all the holders of Common Shares of the Company, the Company shall have the right, upon written notice to each Optionee holding options under the Amended Plan, to permit the other than by termination for cause, such option may be exercised for a period of thirty days after such ending.

In the event of the Company propose to amalgamate, merge or consolidate with or into any other company (other than with a wholly owned subsidiary of the Company) or to liquidate, dissolve or wind up, or in the event an offer to purchase the Common Shares of the Company or any part thereof shall be made to all the holders of Common Shares of the Company, the Company shall have the right, upon written notice to each Optionee holding options under the Amended Plan, to permit the exercise of all such option within the 30 day period next following the date of such notice and to determine that upon expiration of such 30 day period that all rights of the Optionees to such options or to exercise same (to the extent not theretofore exercised) shall terminate and to have no force and effect. No option shall be assignable; and

- (e) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option except in accordance with section 8.1.

9.2 **Lapsed and Exercised Options** – If Options whether granted under the Plan or Amended Plan are exercised or are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Shares under such Options.

9.3 **Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement** – If the Optionee retires, resigns or is terminated from employment or engagement with the Company or any Related Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not vested at that time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

## 10. **ADJUSTMENTS TO OPTIONS**

10.1 **Alteration in Capital Structure** – If there is any change in the Shares through or by means of a declaration of stock dividends of the Shares or consolidations, subdivisions or reclassifications of the Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option and the Option Price therefor shall be adjusted proportionately by the Board and, if required, approved by the TSX, and such adjustment shall be effective and binding for all purposes of the Plan.

10.2 **Effect of Amalgamation, Merger or Arrangement** – If the Company amalgamates, merges or enters into a plan of arrangement with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, merger or arrangement if the Optionee had exercised the Option

immediately prior to the record date applicable to such amalgamation, merger or arrangement, and the exercise price shall be adjusted proportionately by the Board and such adjustment shall be binding for all purposes of the Plan.

10.3 **Acceleration on Change in Control** – Upon a Change in Control, all Options shall become immediately exercisable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject.

10.4 **Acceleration of Date of Exercise** – Subject to the approval of the TSX, if required, the Board shall have the right to accelerate the date of vesting of any portion of any Option which remains unvested.

10.5 **Determinations to be Binding** – If any questions arise at any time with respect to the Option Price or exercise price or number of Option Shares or other property deliverable upon exercise of an Option following an event referred to in this Section 10, such questions shall be conclusively determined by the Company’s auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

10.6 **Effect of a Take-Over** – If a bona fide offer (the “Offer”) for Shares is made to an Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer constitutes a take-over bid within the meaning of the Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon any Option held by an Optionee may be exercised in whole or in part, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject, by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the “Optioned Shares”) to the Offer. If:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto.

The Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Company under this Section, the Company shall refund to the Optionee any Option Price paid for such Optioned Shares.

## 11. **APPROVAL, TERMINATION AND AMENDMENT OF PLAN**

11.1 **Shareholder Approval** – The TSX Amendments require that all unallocated options under the Amended Plan be approved by the Board of Directors, including a majority of the unrelated directors) and the shareholders every three years after the institution of the Plan. Shareholder approval must be by way of a duly called meeting (rather than by the written consent of an appropriate number of shareholders) and Insider (and associates and affiliates of an Insider) entitled to receive a benefit under the Plan are not eligible to vote unless the Common Shares issued and issuable to Insiders of the Company under the Plan and the Original Plan could not exceed 10% of the Company’s total issued and outstanding Common Shares (“Insider Restriction”).

11.2 **Power of Board to Terminate or Amend Plan** – Subject to the approval of the TSX, if required, and section 3.4 f(iii) the Board may terminate, suspend or discontinue the Plan at any time or amend or revise the terms of the Plan.

11.3 Notwithstanding the generality of the foregoing the power of the Board to amend without further shareholder approval shall be limited to the following:

- (a) amendments of a “housekeeping” nature;
- (b) a change to the vesting provisions of a security or a Plan;
- (c) a change to the termination provisions of a security or a Plan which does not entail an extension beyond the original expiry date; and
- (d) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

And that nothing herein shall be construed as authorizing the directors to make amendments to the Plan to effect;

- (a) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by security holders will not require an additional security holder approval;
- (b) any change to eligible participants which would have the potential of broadening or increasing insider participation;
- (c) the additional of any form of financial assistance;
- (d) any amendment to a financial assistance provision which is more favourable to participants;
- (e) the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve; and
- (f) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the issuer.

11.4 **No Grant During Suspension of Plan** – No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

## 12. **CONDITIONS PRECEDENT TO ISSUANCE OF SHARES**

12.1 **Compliance with Laws** – Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares shall comply with all relevant provisions of law, including, without limitation, any applicable United States’ state securities laws, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations thereunder and the requirements of any Exchange or automated interdealer quotation system of a registered national securities association upon which such Shares may then be listed or quoted, and such issuance shall be further subject to the approval of counsel for the Company with respect to such compliance, including the availability of an exemption from registration for the issuance and sale of such Shares. The inability of the Company to obtain from any regulatory body the authority deemed by the Company to be necessary for the lawful issuance and

sale of any Shares under this Plan, or the unavailability of an exemption from registration for the issuance and sale of any Shares under this Plan, shall relieve the Company of any liability with respect to the non-issuance or sale of such Shares other than with respect to a refund of any Option Price paid.

### 13. USE OF PROCEEDS

13.1 **Use of Proceeds** – Proceeds from the sale of Shares pursuant to the Options granted and exercised under the Plan shall constitute general funds of the Company and shall be used for general corporate purposes, or as the Board otherwise determines.

### 14. NOTICES

14.1 **Notices** – All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and shall be either delivered personally to the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such personal delivery; telecopied, in which case notice shall be deemed to have been duly given on the date the telecopy is sent; or mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the tenth postal delivery day following the date of such mailing.

### 15. MISCELLANEOUS PROVISIONS

15.1 **No Obligations to Exercise** – Optionees shall be under no obligation to exercise Options granted under this Plan.

15.2 **No Obligation to Retain Optionee** – Nothing contained in this Plan shall obligate the Company or any Related Company to retain an Optionee as an employee, officer, director or consultant for any period, nor shall this Plan interfere in any way with the right of the Company or any Related Company to reduce such Optionee's compensation.

15.3 **Binding Agreement** – The provisions of this Plan and of each Option Agreement with an Optionee shall be binding upon such Optionee and the Qualified Successor or Guardian of such Optionee.

15.4 **Use of Terms** – Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

15.5 **Headings** – The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.

15.6 **No Representation or Warranty** – The Company makes no representation or warranty as to the future value of any Shares issued in accordance with the provisions of this Plan.

15.7 **Income Taxes** – As a condition of and prior to participation in the Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such Optionee's participation in the Plan.

15.8 **Compliance with Applicable Law** – If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange or over the counter market having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

15.9 **Conflict** – In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

15.10 **Governing Law** – This Plan and each Option Agreement issued pursuant to this Plan shall be governed by the laws of the Province of British Columbia.

15.11 **Time of Essence** – Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be, or to operate as, a waiver of the essentiality of time.

15.12 **Entire Agreement** – This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

## 16. **EFFECTIVE DATE OF PLAN**

16.1 **Effective Date of Plan** – This Plan shall be effective on the later of the day of its approval by the shareholders of the Company given by way of ordinary resolution and the day of its acceptance for filing by the TSX.

“Morgan Poliquin”  
Morgan Poliquin - President

Disinterested Shareholder Approval  
June 28, 2011

TSX Conditional Acceptance  
June 7, 2011