



## AI/ML INNOVATIONS INC.

### INFORMATION CIRCULAR

FOR THE ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON WEDNESDAY, JULY 27, 2022

#### SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES ON BEHALF OF THE MANAGEMENT OF AI/ML INNOVATIONS INC. (hereinafter called "AIML", the "Corporation" or the "issuer") for use at the Annual Meeting of Shareholders of the Corporation to be held in the offices at #203, 645 Fort Street, Victoria, BC V8W 1G2, Canada, on Wednesday, the 27th day of July 2022 at the hour of 2:00 p.m. (Victoria time), and any adjournment or adjournments thereof (hereinafter called the "Meeting") for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. The solicitation of proxies will be by mail. Also enclosed is an Instrument of Proxy for use at such meeting. The costs of any such solicitation will be borne by the Corporation.

#### APPOINTMENT AND REVOCATION OF PROXIES

The person named in the enclosed Instrument of Proxy is a Director of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE INSTRUMENT OF PROXY OR BY COMPLETING ANOTHER INSTRUMENT OF PROXY.** A proxy will not be valid unless the completed Instrument of Proxy is deposited at the office of the Registrar and Transfer Agent of the Corporation, Endeavor Trust Corporation, 777 Hornby St #702, Vancouver, BC V6Z 1S4, not less than forty-eight (48) hours before the time fixed for the Meeting, in default of which the Instrument of Proxy shall not be treated as valid.

A Shareholder who has given a proxy may revoke it by an instrument in writing deposited either at the office of the Registrar and Transfer Agent of the Corporation, Endeavor Trust Corporation, 777 Hornby St #702, Vancouver, BC V6Z 1S4, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned, any reconvening thereof, or with the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof, or in any other manner provided by law. Where a proxy has been revoked, the Shareholder may personally attend the meeting and vote his shares as if no proxy had been given.

#### ADVICE TO BENEFICIAL SHAREHOLDERS

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (and 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.

If you are a non-registered owner, and these materials have been sent to you by the intermediary holding the shares on your behalf, you will be required to provide proper voting instructions to the intermediary who will, in turn, provide voting instructions to the issuer or its agent. The issuer and its agent can not accept voting instructions directly from such non-registered owners. Each intermediary has its own procedure for sending material to non-registered owners and for non-registered owners to provide instructions to the intermediaries to vote their shares. Non-registered owners should carefully follow the instructions provided to them by the intermediary that is holding their shares. In addition, non-registered owners that received these materials from an intermediary attending the Meeting will not be recognized as shareholders or entitled to vote at the Meeting unless they have been appointed as

a proxy holder by the intermediary that is holding their shares. The intermediary's instructions will advise how to effect that appointment. All references to shareholders in this Information Circular and the accompanying Instrument of Proxy are to registered shareholders of record, unless specifically stated otherwise.

## **VOTING OF PROXIES**

All shares represented by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the shares represented by the proxy will be voted in accordance with such specifications. **In the absence of any such specifications, the Management Designees, if named as proxy, will vote in favour of all the matters set out thereon.** The enclosed Instrument of Proxy confers discretionary authority upon the management designees or other persons named as proxy with respect to amendments to or variations of matters identified in the Notice of Annual Meeting of Shareholders and any other matters which may properly come before the Meeting. At the time of printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter.

## **RECORD DATE**

Only Shareholders of the Corporation of record as at the close of business on June 20, 2022 are entitled to receive notice of and to vote at the Meeting unless after that date a Shareholder of record transfers his shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, requests at least 10 days prior to the Meeting that the transferee's name be included in the List of Shareholders entitled to vote, in which case such transferee is entitled to vote such shares at the Meeting.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The holders of the Common shares of record at the Record Date are entitled to vote such shares at the meeting on the basis of one vote for each common share held, the common shares being the only class of shares entitled to vote at the Annual Meeting of Shareholders. Of the Corporation's authorized unlimited number of Common shares, 34,930,270 Common Shares are issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors and senior officers of the Corporation, there are no shareholders beneficially owning, directly or indirectly, equity shares carrying more than 10% of the voting rights of the outstanding equity shares of the Corporation.

### **(i) QUORUM**

A quorum for the transaction of business at a meeting of the shareholders shall be at least one person present in person, being either a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than five percent (5%) of the outstanding shares of the corporation carrying voting rights at the meeting.

## **STATEMENT OF EXECUTIVE COMPENSATION**

A "named executive officer" or "NEO" means, the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the Corporation's three most highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer who served as executive officers during the most recently completed financial year and whose total salary and bonus exceeded \$150,000, and any other individuals for whom disclosure would have been provided but for the fact that they were not serving as an officer at the end of the most recently completed financial year. The information presented in this section is provided as of April 30 in each year unless otherwise stated.



	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John Cook Former President and Chief Executive Officer (6)	2021	Nil	Nil	43,323	Nil	Nil	Nil	84,000	131,323
	2020	Nil	Nil	Nil	Nil	Nil	Nil	86,000	86,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil	113,000	113,000
Glen Macdonald Former Chief Financial Officer (7)	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Randy Clifford Former Chief Financial Officer (8)	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Tim Daniels was appointed Executive Chairman on January 14, 2021.

(2) Randy Duguay was appointed CEO on January 8, 2021.

(3) Bruce Matichuk was appointed CTO on January 8, 2021.

(4) Victor Hugo was appointed CFO on August 10, 2020 and resigned on June 14, 2021.

(5) For the year ended April 30, 2021, the Company expensed \$12,469 (2020 \$6,695; 2019 - \$Nil) to Marrelli Support Services Inc. for bookkeeping services to the Company. Victor Hugo is an employee of Marrelli Support Services Inc.

(6) For the year ended April 30, 2021, the Company incurred exploration and evaluation expenditures of \$12,000 (2020- \$8,000; 2019 - \$35,000), management fees of \$72,000 (2020 - \$72,000 2019 - \$72,000; 2018 - \$72,000) and rent of \$4,000 (2020 - \$6,000; 2019 - \$6,000) to a company controlled by the former Chief Executive Officer of the Company.

(7) Glen Macdonald was appointed CFO on November 1, 2018. He resigned in August 2020.

(8) Randy Clifford was appointed CFO on April 1, 2013. He resigned in November 2018.

(9) Dave Cross was appointed CFO on June 14, 2021.

(10) Value of stock options granted, fair value was calculated using the Black-Scholes option pricing model.

### **Long-term Incentive Plan, or “LTIP”, Awards in Most Recently Completed Financial Year**

LTIP means a plan providing compensation intended to motivate performance over a period greater than one financial year but does not include options or other rights to acquire shares. The Corporation currently has no long-term incentive plans.

### **Options Granted During the Most Recently Completed Financial Year**

During the most recently completed financial year the NEOs of the Corporation received the following share-based and Option-based awards:

## OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following tables provide information regarding all share-based and option-based awards outstanding as at April 30, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
Randy Duguay, CEO	500,000	\$0.25	12/30/22	Nil	Nil	Nil	Nil
Bruce Matichuk, CTO	500,000	\$0.25	12/30/22	Nil	Nil	Nil	Nil

- (1) The value of unexercised in-the-money options is based on the difference between the market value of the common shares as at June 30, 2021 and the exercise price of the option. Normally we see a black sholes here rather than just Nil

## INCENTIVE PLAN AWARDS - value vested or earned during the year

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan.

Name	Option-based awards Value vested during the year (1) (\$)	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Randy Duguay, CEO	2021 - \$Nil	---	---
Bruce Matichuk, CTO	2021 - \$Nil	---	---

- (1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

## MANAGEMENT CONTRACTS

No management functions of the Corporation or its subsidiaries are to any substantial degree performed by a person or company other than the directors or officers of the Corporation.

The Corporation entered into management contracts with the CEO (Randy Duguay) and the CTO (Bruce Matichuk) on January 1, 2021.

The salient terms of Mr. Duguay's contract are: a) a 24-month duration; b) a (net) salary of \$7,500.00 monthly paid in arrears; c) 500,000 share purchase options for 24 months @ 0.25 d) reimbursement for reasonable, documented

out-of-pocket business expenses. The contract includes duties performed by Mr. Duguay both as CEO of the Corporation, as well as his duties as CEO of the Corporation's majority owned subsidiary, Health Gauge. The contract states that Mr. Duguay will perform the duties and responsibilities customary to the position of CEO of a company. Mr. Duguay's contract contains no change of control provisions.

The salient terms of Mr. Matichuk's contract are: a) a 24-month duration; b) a (net) salary of \$7,500.00 monthly paid in arrears; c) 500,000 share purchase options for 24 months @ 0.25 d) reimbursement for reasonable, documented out-of-pocket business expenses. The contract includes duties performed by Mr. Matichuk both as CTO of the Corporation, as well as his duties as CTO of the Corporation's majority owned subsidiary, Health Gauge. The contract states that Mr. Matichuk will perform the duties and responsibilities customary to the position of CTO of a company. Mr. Matichuk's contract contains no change of control provisions.

### Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation has employment contracts with its NEOs. The Corporation has entered into contracts with independent consultants with respect to the provision of consulting services.

The Corporation has not entered into any contract that provides any officer or employee with compensation in the event of termination with cause, resignation or retirement.

### Pension Arrangements

The Company does not have any pension arrangements in place for the Named Executive Officers.

### COMPENSATION OF DIRECTORS

During the most recently completed financial year, the directors of the Corporation did not receive fees for attendance at board meetings or other cash compensation in their capacity as directors. The Directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase common shares of the Corporation.

The compensation paid to the directors, other than the Named Executive Officers, during the Company's most recently completed financial year is as set out below:

Name <sup>(1)</sup>	Fees earned (\$)	Share based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
N/A	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) The above table excludes compensation paid to named executive officers that are also directors. Such information has been included in the Summary Compensation Table for NEOs above.

The following table sets out information respecting unexercised share-based awards and options-based awards held by directors (other than directors that are also NEOs) as at April 30, 2021:

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
N/A	Nil	Nil	Nil	Nil	Nil	Nil

The following table sets out information respecting incentive plan awards vested or earned for directors (other than directors that are also NEOs) during the year ended April 30, 2021:

Name	Option-based awards Value vested during the year (\$)	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
N/A	Nil	Nil	Nil

See also the disclosure set forth under “Compensation Discussion and Analysis” and “Option Based Awards”.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

There were no material interests, direct or indirect, of directors and officers of the Corporation, present or nominated, any Shareholder who beneficially owns more than 10% of the common shares of the Corporation, or any known associate or affiliate of these persons in any transactions since the commencement of the Corporation's last completed fiscal year and in any proposed transaction which has materially affected or would materially affect the Corporation.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **SETTING NUMBER OF DIRECTORS**

It is proposed that the shareholders pass a resolution to set the number of directors to be elected at the Meeting at four (4), which corresponds to the number of persons proposed to be nominated for election of the directors, as set out below under the heading "Election of Directors".

### **ELECTION OF DIRECTORS**

It is proposed that the following persons will be nominated as the board of directors at the meeting: Tim Daniels, Nick Watters, Bruce Matichuk, and Randy Duguay. **IT IS THE INTENTION OF THE MANAGEMENT DESIGNEE, IF NAMED AS PROXY, TO VOTE FOR THE ELECTION OF SAID PERSONS TO THE BOARD OF DIRECTORS UNLESS OTHERWISE DIRECTED.** Each director elected will hold office until the next annual meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia).

The following information relating to the nominees as directors is based partly on the Corporation's records and partly on information received by the Corporation from the said nominees and sets forth the name and municipality of residence of each of the persons proposed to be nominated for election as a director, his principal occupation at present and for the past five years (for nominee directors and directors that have not previously been elected by the shareholders of the Corporation), all other positions and offices in the Corporation held by him, the year in which he was first elected a director, and the approximate number of shares of the Corporation that he has advised the Corporation are beneficially owned by him, directly or indirectly.

<b>Name And Municipality Of Residence</b>	<b>Position Presently Held</b>	<b>Common Shares Beneficially Held as of June 20, 2022</b>	<b>Principal Occupation</b>
Tim Daniels Florence Italy	Executive Chairman	1,200,000	CEO and Director of Erin Ventures Inc.
Nick Watters Victoria, BC	Director	500,000	Investor
Bruce Matichuk Edmonton, AB	Director and CTO	1,025,959	CTO of AIML's subsidiary Health Gauge

Randy Duguay Edmonton, AB	Director and CEO	1,068,834	CEO of AIML and its subsidiary Health Gauge
------------------------------	---------------------	-----------	--

## **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

As at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (c) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, 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; or
- (d) has within the 10 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, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **APPOINTMENT OF AUDITORS**

Management recommends that Shareholders vote to appoint Baker Tilly WM LLP of 900 – 400 Burrard Street Vancouver, British Columbia Canada V6C 3B7, as auditors for the Company and to authorize the directors to fix their remuneration. Baker Tilly WM LLP has served as the Company's auditors since July 14, 2021. See "External Auditor Service Fees" under "Audit Committee And Relationship With Auditor".

## **APPROVAL OF STOCK OPTION PLAN**

The shareholders of the Corporation will be asked to consider and, if deemed advisable, approve the Stock Option Plan of the Corporation. The Corporation has adopted a “rolling” type of plan under which options may be granted for a number of shares up to 10% of the outstanding Common Shares of the Corporation, from time to time. The CSE rules require that a “rolling” Stock Option Plan be approved by shareholders each year at the Annual General Meeting. As a result, the shareholders of the Corporation will be asked to consider and, if deemed advisable, pass a resolution to approve the Corporation’s Stock Option Plan.

The principal terms of the Stock Option Plan are summarized as follows:

1. The number of shares reserved for options under the Plan is equal to 10% of the total issued and outstanding Common Shares of the Corporation (on a non-diluted basis) from time to time.
2. The aggregate number of shares that may be reserved for options granted to any one individual may not exceed 5% of the total outstanding shares of the Corporation (or 2% where the optionee is a consultant of the Corporation or an employee performing investor relations activities).
3. The number of shares reserved under options granted to insiders of the Corporation in any 12 month period may not exceed 10% of the outstanding shares of the Corporation.
4. The exercise price under any option shall not be less than the minimum price prescribed by the rules of the CSE.
5. Options may be granted to a term of up to 10 years, provided that they must terminate within 1 year of the date that the optionee ceases to be a director, officer, consultant or employee of the Corporation (unless the optionee is engaged in investor relations activities, in which case the option must cease within 30 days), of ceasing to be an employee or consultant, provided that if the optionee ceases to be a director, officer, employee or consultant as a result of death, then the estate of the optionee may have up to 1 year to exercise the option.
6. Options may not be assigned or transferred.
7. A reduction in the exercise price of an option granted to an insider requires disinterested shareholder approval.
8. If the Corporation self-imposes a blackout period (i.e., preceding the release of financial results) preventing an Optionee from exercising his/her Options before the end of the Exercise Period, the Exercise Period shall automatically be extended for **ten (10)** days following the last day of a blackout period.

## **NOMINATIONS OF DIRECTORS**

1. Nomination procedures - Subject only to the Business Corporations Act (British Columbia) (the "**Act**") and the articles of the Corporation (the "**Articles**"), only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "**Board**") may be made at any annual meeting of shareholders or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving of the notice provided for below in this By-law and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this By-law.

2. Timely notice - In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.

3. Manner of timely notice - To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. Proper form of timely notice - To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5. Eligibility for nomination as a director - No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-law; provided, however, that nothing in this By-law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. Terms - For purposes of this By-law:

- (a) **"Public announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and
- (b) **"Applicable Securities Laws"** means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada.

7. **Delivery of Notice** - Notwithstanding any other provision of this By-law, notice given to the Corporate Secretary of the Corporation pursuant to this By-law may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Pacific Daylight time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

8. **Board Discretion** - Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Bylaw.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out information respecting common shares of the Corporation authorized for issuance as at April 30, 2021 under the Corporation's equity compensation plan.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights	Number of common shares remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a)
Equity compensation plans approved by security holders	2,350,000	0.37	558,167
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,350,000	0.37	558,167

#### **AUDIT COMMITTEE**

The Corporation has an audit committee, which is comprised of Tim Daniels, Nick Watters and Randy Duguay. Mr. Duguay is not considered to be "independent", as such term is defined in Multilateral Instrument 52-110, as he is the CEO of the Corporation. Mr. Daniels is not considered to be "independent", as such term is defined in Multilateral Instrument 52-110, as he is the Chairman of the Corporation. Mr. Watters is considered to be independent. All the members of the audit committee are considered to be "financially literate", as such term is defined in Multilateral Instrument 52-110. Mr. Daniels has a Bachelor of Commerce degree with a major in Finance and has served as Chief Financial Officer for a decade in a public company. Mr. Duguay has a master's degree in engineering and has served as a company CEO and Director. Mr. Watters has held the position of Director for public and private companies for the past several decades.

The Corporation has established a charter for its audit committee, a copy of which is hereto attached.

As a “Venture Issuer” the Corporation is relying upon Section 6.1 of Multilateral Instrument 52-110 to exempt it from the requirements of that Instrument respecting the composition of its audit committee and the reporting obligations under that Instrument.

### **Auditor and Audit Fees**

The auditor of the Corporation is Baker Tilly Canada Cooperative. The following table sets out the fees billed by the Corporation’s auditors for the years ended April 30, 2020 and April 30, 2021:

	<b>Period Ended April 30, 2020</b>	<b>Year ended April 30, 2021</b>
Audit fees	\$16,513	\$44,600
Audit-related fees	\$Nil	\$Nil
Tax fees	\$750	\$750
All other fees	\$Nil	\$Nil

### **CORPORATE GOVERNANCE**

National Instrument 58-101 requires the Corporation to include in its Management Information Circular disclosure respecting its corporate governance practices. The following information is provided in compliance with that disclosure requirement.

#### **1. Board of Directors**

The Corporation presently has four directors. Randy Duguay is not considered to be independent as he is the CEO of the Corporation, and Bruce Matichuk is not considered independent as he is the CTO of the Corporation.

#### **2. Directorships**

Tim Daniels – Director of Erin Ventures Inc.

Bruce Matichuk – no other Directorships

Randy Duguay – no other Directorships

Nick Watters – Director of ESG Global Impact Capital Inc.; Nickel North Exploration Corp.; Lightspeed Discoveries Inc.; King Global Ventures Inc.; Lithium One Metals Inc.

#### **3. Orientation and Continuing Education**

The Corporation does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Corporation’s business and understand the responsibility of the Board of Directors.

The Corporation does not have a formal program for the continuing education of its directors. The Corporation expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as directors. Members of the Board have the ability to consult with the Corporation’s professional advisors regarding their duties and responsibilities and recent developments relevant to the Corporation and its Board.

#### **4. Ethical Business Conduct**

Although the Corporation has not adopted a formal code of ethics, the directors and management of the Corporation are encouraged to conduct themselves and the business of the Corporation with the utmost honesty and integrity. The directors are also encouraged to consult with the Corporation’s professional advisors with respect to any issues related to ethical business conduct.

## **5. Nomination of Directors**

The identification of potential candidates for nomination as directors is collectively done by the board of directors, with all directors encouraged to participate in the identification and recruitment of potential new directors. Potential candidates are primarily identified through referrals by business contacts.

## **6. Compensation**

The compensation of directors and the CEO is determined by the Board of Directors as a whole. Such compensation is determined after consideration of the relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

## **7. Other Board Committees**

The Board does not have any standing committees other than the audit committee.

## **8. Assessments**

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the President and the Board as a whole.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company to request copies of the Company's financial statements and Management Discussion & Analysis as follows:

AI/ML Innovations Inc.  
203, 645 Fort Street  
Victoria, B.C. V8W 1G2

Financial information is provided in the Company's comparative financial statements and Management Discussion & Analysis for the year ended April 30, 2020 and April 30, 2021.

## **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Annual Meeting of Shareholders. If any other business properly comes before the Meeting, it is the intention of the persons named in the Instrument of Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## AI/ML INNOVATIONS INC.

### AUDIT COMMITTEE CHARTER

#### GENERAL

The purpose of this document is to establish the terms of reference of the Audit Committee for AI/ML INNOVATIONS INC. (the "Corporation").

It is critical that the external audit function, a mechanism key to investor protection, is working effectively and efficiently and that information is being relayed to the Board of Directors in an accurate and timely fashion. The activities of the Audit Committee are fundamental to the process.

#### STATUTORY REFERENCE

The Board of Directors of The Corporation shall elect annually from members of the Board of Directors, an Audit Committee which shall be composed of not less than three members, a majority of which are not officers or employees of the corporation or any of its affiliates.

Each member of the Audit Committee shall serve during the pleasure of the Board of Directors and in any event, only so long as he or she shall be a Director. The Directors may fill vacancies in the Audit Committee by election from among their number.

The Audit Committee shall have the power to fix its quorum at no less than a majority of its members and to determine its own rules of procedure subject to any regulation imposed by the Board of Directors from time to time.

The auditors of the Corporation will be entitled to receive notice of every meeting of the Audit Committee and, at the expense of the Corporation, to attend and be heard thereafter, and if so requested by a member of the Audit Committee, shall attend every meeting of the Committee held during the term of the office of the Auditor. The auditor of the Corporation or any member of the Audit Committee may call a meeting of the Committee.

The Audit Committee shall review the financial statements of the Corporation prior to the approval thereof by the Board of Directors and shall have such other powers and duties as may from time to time by resolution be assigned to it by the Board.

#### PURPOSE

Responsibility for the development and maintenance of the Corporation systems for financial reporting, accounting for transactions and internal controls lies with senior management with oversight responsibilities vesting in the Board of Directors. The Audit Committee is a permanent committee of the Board whose purpose is to assist the Board by dealing with specific issues that may affect financial reporting to the shareholders, accounting and internal controls.

#### ANNUAL REPORTING

The Audit Committee shall review the annual financial statements, prepared for distribution to the shareholders. The Audit Committee should discuss with management the appropriateness of accounting policies selected by the Corporation, the use and effect of judgment on accounting measurements and the adequacy of accruals and estimate used by management in completing the annual financial statements. Upon satisfactory completion of the review procedure, the Audit Committee will recommend to the Board of Directors that the Board approve the annual financial statements.

The Audit Committee should review other financial information included in the Corporation's Annual Report to ensure that it is consistent with the Board of Directors knowledge of the affairs of the Corporation and is unbiased and nonselective.

The Audit Committee should review the Annual Information Form and the Management Discussion and Analysis Component of the Annual Report.

The Audit Committee should review planning for, and the results of, the annual external audit, including, but not necessarily limited to, specifically the following:

- (a) The auditor's engagement letter as agreed between the auditor and financial management of the Corporation.
- (b) The reasonableness of audit fees as agreed between the auditor and corporate management.
- (c) Audit scope, including locations to be visited, area of audit risk, and materiality as it affects audit judgment timetable, deadlines, and coordination with internal audit.
- (d) The audit report to the Corporation shareholders and any other reports prepared by the auditors.
- (e) The informal reporting from the auditors on accounting systems and internal controls, including management's response.
- (f) Non-audit related services provided by the auditor.
- (g) Assessment of the auditor's performance.
- (h) Recommendation with respect to the auditor's appointment or re-appointment.
- (i) Hold in camera meeting with representatives of the auditors to discuss the audit related issues including the quality of accounting personnel.

## INTERIM REPORTING

When unaudited interim financial statements are issued, for example, quarterly reports and financial statements required for inclusion in public offering documents, the Chief Financial Officer of the Corporation will provide a copy of the interim financial statement to the Audit Committee and will formally advise the Audit Committee that the interim financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied. The Chief Financial Officer is obliged to draw to the attention of the Audit Committee any other matters relating to such interim financial statement of the Committee should be aware of. Similarly the Auditor has an obligation to advise the Audit Committee of any issues which the Auditor believes merit the Committee's attention identified during the course of application of auditing procedures relating to any comfort level to be issued by the Auditor.

## REPORTING ARRANGEMENTS

The Audit Committee, through the Chairman or Minutes of the Audit Committee's meetings, should report to the Board of Directors following each meeting of the Audit Committee. The report should review the nature of discussions and the major decisions reached by the Audit Committee. The Audit Committee shall refer to the Audit Committee's terms of reference as required and propose changes to the Board.

## GENERAL

The Audit Committee clearly places the onus of reporting items that may be of concern to the Audit Committee with corporate management and representatives of the Audit firm as the case may be.