



# Notice of Meeting and Management Proxy Circular

**Annual General Meeting of CDN Maverick Capital Corp.  
to be held on June 29, 2023.**

## Notice of Annual General Meeting of Shareholders of CDN Maverick Capital Corp.

When:	Where:
Thursday, June 29, 2023 10:00 a.m. (Pacific Time)	2150 – 555 West Hastings Street Vancouver, BC V6B 4N6

At the annual general meeting (the "**Meeting**"), shareholders will be asked to:

- 1) receive the consolidated financial statements for the year ended December 31, 2022 and the auditor's report thereon;
- 2) set the number of directors at four (4);
- 3) elect the directors;
- 4) re-appoint Dale Matheson Carr-Hilton Labonte LLP as auditors;
- 5) confirm the Stock Option Plan; and
- 6) consider any other business that may properly come before the Meeting.

You can read about each item of business starting on page 1 of the management proxy circular (the "**Circular**"), which also has information on voting and about our directors, governance and compensation.

If you were a holder of Common Shares as of the close of business on May 19, 2023, you have the right to vote at the Meeting.

**Your vote is important.** All shareholders are encouraged to vote by proxy. To ensure your vote is counted, your proxy must be received by 10:00 am (Pacific Time) on June 27, 2023 (the "**Proxy Deadline**"). Detailed voting instructions for registered and non-registered shareholders begin on page 5 of the Circular.

### Attendance at the Meeting

Due to the COVID19 Pandemic and in the best interest of the health of all participants in the Company's Meeting, the Company respectfully asks that only registered shareholders or their proxies attend the Meeting in person. However, the Company strongly recommends that shareholders vote by Proxy or VIF in advance to ease the voting tabulation at the Meeting by TSX Trust Company.

Shareholders who are unable to attend the Meeting are requested to complete sign, date and return the enclosed form of proxy indicating your voting instructions. A proxy will not be valid unless it is deposited at the office of TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, ON M5H 4H1, Canada, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournments thereof. If you are not a

registered shareholder, please refer to the accompanying Information Circular for information on how to vote your shares.

By order of the Board of Directors,

*"Adam Cegielski"*

Adam Cegielski  
CEO  
May 26, 2022

**Not sure if you're a registered shareholder?**

See page 5 for more information.

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## Business of the Meeting

### 1) Receive Financial Statements

We will present CDN Maverick's consolidated financial statements for the year ended December 31, 2022, together with the auditor's report thereon.

### 2) Fix Number of Directors

Shareholders will be asked to fix the number of directors at four (4) for the ensuing year.

The Board recommends that you vote FOR fixing the number of directors at four (4)

### 3) Elect Directors

Four (4) directors will be elected to serve on our board until the close of the next annual meeting or until their successors are elected or appointed. You can find information about each of the nominated directors beginning on page 7.

The Board recommends that you vote FOR each nominated director

### 4) Re-Appointment of Auditor

The board recommends the re-appointment of Dale Matheson Carr-Hilton Labonte LLP as CDN Maverick's auditor, with its remuneration to be set by the Board.

The Board recommends that you vote FOR Dale Matheson Carr-Hilton Labonte LLP

### 5) Confirmation of Stock Option Plan

The board recommends the confirmation of the Company's Stock Option Plan, as previously approved by the shareholders on August 26, 2020.

The Board recommends that you vote FOR the Stock Option Plan

## **6) Other Business**

If other items of business are properly brought before the Meeting, you or your proxyholder can vote on such matters. CDN Maverick is not aware of any other items of business to be considered.

## General Information

In this Circular, unless otherwise noted:

- all information is as of the Record Date;
- all dollar amounts are in Canadian dollars;
- references to shareholders are reference to registered shareholders;
- references to the BCBCA are references to the *Business Corporations Act* (British Columbia); and
- references to "CDN Maverick" the "Corporation", "we", "us", or "our" are references to CDN Maverick Capital Corp. and its subsidiaries.

### Solicitation of proxies

Proxies are being solicited by CDN Maverick's management in connection with the Meeting. Solicitation will be primarily by mail, but may be supplemented by CDN Maverick directors, officers and employees without special compensation. CDN Maverick will pay the cost of any solicitation.

### Quorum

In order for the meeting to proceed, there must be at least two shareholders present in person or by proxy who are entitled to vote at the Meeting.

### Voting Shares and Principal Holders of Voting Shares

CDN Maverick is authorized to issue an unlimited number of Common Shares, without par value, with one vote per share (the "**Shares**").

As at May 19, 2023, the following shares were outstanding:

Class	Number	Percentage of Aggregate Votes
Common Shares	13,191,215	100%

Access the Circular and related Meeting materials under  
CDN Maverick's name at [www.sedar.com](http://www.sedar.com)



To the knowledge of CDN Maverick's directors and officers, no person or company beneficially owns or exercises control or direction, directly or indirectly, over shares carrying more than 10% of the votes attached to any class of CDN Maverick's voting securities.

The Shares trade on the Canadian Securities Exchange ("**CSE**") under the symbol "CDN".

### **Notice-and-Access**

The Company is not sending this Notice of Meeting and Circular to registered shareholders or non-registered shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102 – Continuous Disclosure Obligations ("**NI 51-102**").

### **Annual and Interim Reports**

CDN Maverick will only be mailing paper copies of the financial statements to registered shareholders who have standing instructions on their accounts to receive paper copies. Registered shareholders who have consented to electronic delivery will receive the 2022 consolidated audited financial statements and management's discussion and analysis by email.

If you are a beneficial shareholder who has requested to receive proxy related materials and do not have instructions on your account to receive paper material you will receive the 2022 consolidated audited financial statements and management's discussion and analysis through notice and access.

To change your mailing preferences, please complete the annual and interim questions on your proxy or voting instruction form.

## Information about Voting

### Who Can Vote

The record date for the Meeting is May 19, 2023 (the "**Record Date**"). Holders of Shares at the close of business on the Record Date are entitled to receive notice of and vote at the Meeting, in person or by proxy.

Each item of business to be considered at the Meeting requires a simple majority of votes in favour in order to pass.

### How to Vote

Registered Shareholders	Non-registered (Beneficial) Shareholders
<p>You hold your shares directly in your own name with our transfer agent, TSX Trust Company.</p> <p>A proxy is included with your Meeting materials. The Proxy Deadline is Tuesday, June 27, 2023 at 10:00 am (Pacific Time)</p>	<p>Your shares are held through a broker, trustee, financial institution, custodian or other intermediary.</p> <p>Your intermediary has sent you a voting instruction form ("<b>VIF</b>")</p>
Attending the Meeting	Attending the Meeting
<p>Do not complete a proxy. Attend in person at: 2150 - 555 West Hastings Street, Vancouver BC V6B 4N6</p>	<p>Follow the instructions on the VIF to appoint yourself as proxyholder to attend the Meeting by writing your name in the space provided, signing and returning the VIF.</p> <p>Attend in person at: 2150 - 555 West Hastings Street, Vancouver BC V6B 4N6</p>
Not Attending the Meeting	Not Attending the Meeting
<p>Return your completed, signed and dated proxy in one of the following ways:</p> <p>Online: <a href="http://www.voteproxyonline.com">www.voteproxyonline.com</a>            Fax: (416) 595-9593            Mail: TSX Trust Company            301 – 100 Adelaide Street West            Toronto, Ontario M5H 4H1</p> <p>See the instructions on the proxy for more details.</p>	<p>Submit your voting instructions by completing and returning the VIF in accordance with the directions on the VIF.</p> <p>See the instructions on the VIF or contact your intermediary for more details.</p>
Revoking your Proxy	Revoking your Voting Instructions
<p>You can revoke your proxy by:</p> <ul style="list-style-type: none"> <li>• Completing and returning a new proxy before the Proxy Deadline with a later date</li> <li>• Sending a notice in writing to our Corporate Secretary before the Proxy Deadline</li> <li>• Providing a notice in writing to the Chair of the Meeting at the Meeting</li> <li>• Any other manner permitted by law</li> </ul>	<p>Contact your intermediary for instructions on how to revoke voting instructions previously submitted.</p> <p>Be sure to contact your intermediary well in advance of the Proxy Deadline.</p>

## Information about Proxy Voting

- The persons named in the provided proxy are officers of CDN Maverick.
- **You may appoint some other person (who need not be a shareholder) to represent you at the Meeting by inserting the person's name in the blank space provided and returning the proxy as specified before the Proxy Deadline.**
- the securities represented by a duly submitted proxy will be voted or withheld from voting by the proxyholder on a ballot in accordance with the instructions of the shareholder and if the shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.
- The accompany form of proxy confers discretionary authority upon proxyholders with respect to amendments or variations to the matters to be acted upon and other matters that properly come before the Meeting.
- Please note that in order for your vote to be recorded, your proxy must be received at least 48 hours before the Meeting.
- The Chair of the Meeting has discretion to accept late proxies.

If you do not specify how you want to vote and you appoint the management representatives as your proxyholders, they will vote:

- FOR fixing the number of directors at four (4)
- FOR the election of directors
- FOR the appointment of the auditor
- FOR confirming the Stock Option Plan

## Information for Beneficial Shareholders

You are a non-registered (beneficial) shareholder if your shares are registered in the name of your broker, trustee, financial institution, custodian, or other intermediary, who holds your shares in a nominee account. Notice-and-access compliant meeting materials are distributed to intermediaries, who will forward meeting materials in accordance with your voting instructions, along with a form of VIF. Please return your voting instructions as specified in the VIF.

## Information about the Director Nominees

The Board has determined that four (4) directors will be elected at the Meeting. The following provides information on each of the four (4) directors. Management does not expect that any nominee will be unable or unwilling to serve as a director.

As at the date of this Circular and within the ten years before the date of this Circular, no proposed director:

- 1) is or has been a director or executive officer of any Corporation (including the Corporation), that while that person was acting in that capacity:

- a) was the subject of a cease-trade order or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- c) 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
- 2) has within 10 years before the date of the Information Circular become 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 the assets of the director, officers or shareholders.

## Director Profiles

Sandy MacDougall		
Vancouver, BC Chairman, President & Director <sup>(1)</sup> <i>Not Independent</i> Director Since: October, 2016  <b>Other Public Company Directorships:</b> Noram Lithium Corp.	Mr. MacDougall is a businessperson with over 30 years of experience in the investment banking and finance industry. He was a former investment advisor at Canaccord Capital Corp. and was involved in numerous significant financings in Canada and abroad for a wide range of companies. His experience includes extensive exposure to precious and base metal projects throughout North and South America.	
Securities Held <sup>(2)</sup>		
Shares	Warrants	Options
1,679,750 <sup>(3)</sup>	1,550,000 <sup>(4)</sup>	Nil

Michael MacDougall		
Victoria, BC Director <sup>(1)</sup> <i>Independent</i> Director Since: February 2021  <b>Other Public Company Directorships:</b>  None	Mr. MacDougall holds a bachelor of science degree and a master's degree from the University of Victoria and brings over 25 years of experience in leading and managing large organizations, primarily within the Government of British Columbia. As Associate Deputy Minister and Chief Operating Officer (COO) for the Ministry of Health, here oversaw the ministry's multi-billion dollar annual operating and capital budgets. He also held positions as CEO of Shared Services BC and Executive Financial Officer of the Ministry of Environment. Mr. MacDougall is currently the Senior Vice President of Health Services for Maximus Canada.	
Securities Held <sup>(2)</sup>		
Shares	Warrants	Options
Nil	Nil	Nil

Carlos Arias Eguiguren, LLD		
Quito, Ecuador Director <sup>(1)</sup> <i>Independent</i> Director Since: November 2017  <b>Other Public Company Directorships:</b>  None	Dr. Arias is a lawyer specializing in mining law and is a former Director of the Ecuadorian Chamber of Mines. He holds a Doctorate in law with a Master's degree in international business and legal studies from the University of Exeter, England. Dr. Arias has been actively involved with and served on a number of boards of public companies in Canada.	
Securities Held <sup>(2)</sup>		
Shares	Warrants	Options
22,900	Nil	Nil

Adam Cegielski		
Vancouver, BC CEO & Director <i>Not Independent</i> Director Since: May 2023	Mr. Cegielski is an entrepreneur holding a BSc. in Applied Biochemistry from the University of Guelph. In his 25-year + career, Mr. Cegielski has served as both senior executive and director of numerous public and private enterprises across the natural resource and technology sectors. He started his career in the junior mining business developing an industrial mineral project in Uganda that he later sold to Rio Tinto. Mr. Cegielski was the founding director of Cayden Resources, which was sold to Agnico Eagle Mines	
<b>Other Public Company Directorships:</b>		
Gold Line Resources Ltd. DelphX Capital Markets Inc.		
Securities Held <sup>(2)</sup>		
Shares	Warrants	Options
Nil	Nil	Nil

#### Notes to Director Profiles:

- (1) Member of the Audit Committee.
- (2) Securities holdings are as at the Record Date.
- (3) Mr. MacDougall holds 1,679,750 common shares, of which 500,000 are held in the name of Argentum Capital, a company over which Mr. MacDougall holds sole voting and dispositive power.
- (4) Mr. MacDougall holds 1,550,000 warrants, of which 500,000 are held in the name of Argentum Capital, a company over which Mr. MacDougall holds sole voting and dispositive power.

## Information about Director Compensation

Other than the Stock Option Plan, the Company does not currently have a director compensation plan for which directors are paid fees for attending director or committee meetings.

Directors are entitled to receive stock options in accordance with the terms of the Stock Option Plan and the CSE requirements and are reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board, committees of the Board or meetings of the shareholders of the Company.

### Director Compensation

The following table sets out compensation provided to each non-executive director as at December 31, 2022:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Michael MacDougall	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Carlos Arias Eguiguren	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Outstanding Share-Based Awards and Option-Based Awards

The following table shows all outstanding share-based awards and option-based awards held by each non-executive director as at December 31, 2022.

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 (\$)	Number of shares or units or shares that have not vested (#)	Market or other payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Michael MacDougall	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Carlos Arias Eguiguren	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Share-Based Awards and Stock-Based Awards – Value Vested or Earned During the Year

The following table shows the value vested of all share-based and option-based awards held by each non-executive director as at December 31, 2022.

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 (\$)
Michael MacDougall	Nil	Nil	Nil
Carlos Arias Eguiguren	Nil	Nil	Nil

## Committees of the Board

The Company currently only has one committee, the Audit Committee.

### **Audit Committee Disclosure**

Pursuant to section 224(1) of the Business Corporations Act (British Columbia), the policies of the CSE and National Instrument 52-110 Audit Committees ("**NI 52-110**"), CDN Maverick is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation, as a venture issuer, to make certain disclosure concerning the constitution of its Audit Committee and its relationship with its independent auditor.

The Audit Committee over sees the accounting and financial reporting practices and procedures of the Corporation and the audits of the Corporation's financial statements. The principal responsibilities of the Audit Committee include: (i) overseeing the quality, integrity and appropriateness of the internal controls and accounting procedures of the Corporation, including reviewing the Corporation's procedures for internal control with the Corporation's auditors and chief financial officer; (ii) reviewing and assessing the quality and integrity of the Corporation's internal and external reporting processes, its annual and quarterly financial statements and related management discussion and analysis, and all other material continuous disclosure documents; (iii) establishing separate reviews with management and external auditors of significant changes in procedures or financial and accounting practices, difficulties encountered during auditing, and significant judgments made in management's preparation of financial statements; (iv) monitoring compliance with legal and regulatory requirements related to financial reporting; (v) reviewing and pre-approving the engagement of the auditor of the Corporation and independent audit fees; and (vi) assessing the Corporation's accounting policies, and considering, approving, and monitoring significant changes in accounting principles and practices recommended by management and the auditor.

### **Audit Committee Charter**

The full text of the charter of the Corporation's Audit Committee is set in Appendix "A" attached hereto.

### **Composition of the Audit Committee**

The members of the Audit Committee are Sandy MacDougall, Michael MacDougall and Carlos Arias Eguiguren, of which Michael MacDougall and Carlos Arias Eguiguren are considered independent pursuant to NI 52-110. All members of the Audit Committee are considered to be financially literate.

A member of the audit committee is *independent* if the member has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.



A member of the audit committee is considered *financially literate* if they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation.

### **Relevant Education and Experience**

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting, are set out in "Director Profiles" beginning on page 7 above.

### **Audit Committee Oversight**

At no time since incorporation has the Audit Committee made any recommendations to the Board to nominate or compensate any external auditor.

### **Reliance of Certain Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally**

At no time during the year ended December 31, 2022 has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) (which exempts all non-audit services provided by the Corporation's auditor from the requirement to be preapproved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies on Certain Exemptions**

Except as described in the audit committee charter attached to this Circular, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

## External Auditor Services Fees

The Audit Committee has pre-approved the nature and amount of the services provided by Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, to the Corporation to ensure auditor independence.

Aggregate fees paid to the auditor during the financial years ended December 31, 2022 and December 31, 2021 were as follows:

Financial Year Ended	Audit Fees	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	All Other Fees <sup>(3)</sup>
2022 <sup>(4)</sup>	\$20,000	\$Nil	\$5,000	\$Nil
2021	\$20,000	\$Nil	\$3,500	\$Nil

**Notes:**

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged (or estimated charges) for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.
4. As at the date of this Information Circular, the fees for 2022 have been accrued but not invoiced.

## Information about Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI 58-101**"), the Company is required to disclose its corporate governance practices, as summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

### Composition of the Board

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is composed of a majority of independent directors. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. The Board has four directors, two of which are considered to be independent. Michael MacDougall and Carlos Arias Eguiguren are considered to be independent directors for the purposes of NI 58-101 and Sandy MacDougall and Adam Cegielski are not considered to be independent due to their relationship as senior officers.

The Board of the Company facilitates its exercise of supervision over Company's management through frequent meetings of the Board.

### Mandate of the Board

The Board of Directors has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board of Directors sets long-term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting Shareholders' interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board of Directors reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the audit committee of the Board, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board of Directors, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without Board approval, on all ordinary course matters relating to the Company's business.

The Board of Directors also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board of Directors is responsible for the appointment of senior management and monitoring of their performance.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board does not hold regularly scheduled meetings without the non-independent directors and members of management. Since the beginning of the Company's last financial year, the independent directors did not hold any ad hoc meetings without the non-independent directors and management.

When a matter being considered involves a director, that director does not vote on the matter. As well, the directors regularly and independently confer amongst themselves and thereby keep apprised of all operational and strategic aspects of the Company's business.

### Position Descriptions

The Board has not developed written position descriptions for the President or the chair of any board committees. Given the size of the Company's infrastructure and the existence of only a small number of officers, the Board does not feel that it is necessary at this time to formalize position descriptions in order to delineate their respective responsibilities.

### Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business and industry and on the responsibilities of directors. New directors also receive historical public information about the Company and the mandates of the committees of the Board. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, new directors are encouraged to visit and meet with management on a regular basis and to pursue continuing education opportunities where appropriate.

### Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Under applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interest of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction is a director or officer (or an individual acting in a similar capacity) of a party to the contract or voting on the contract or transaction, unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid, and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving

full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### Nomination of Directors

The Board will consider its size each year when it considers the number of directors to recommend to the shareholders of the Company for election at the annual Meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual Meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

### Assessments

The Board of Directors has not established a formal process to regularly assess the Board and the Audit Committee with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, the Audit Committee or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

## Information about Executive Compensation

### Compensation of Executives

When determining executive compensation, the Company's practices are designed to retain, motivate and reward the executive officers of the Company for their performance and contribution to the Company's long-term success. The Board seeks to compensate the Company's executive officers by combining short and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives, and to align executive officers' incentives with shareholder value creation. The Board seeks to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals.

The compensation of the executive officers of the Company include three major elements: (a) base salary, (b) discretionary cash bonuses, and (c) long-term equity incentives, consisting of stock options under the Stock Option Plan. These three principal elements of compensation are described below.

## **Components of Executive Compensation**

### *Base Salary*

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries are based on an assessment of factors such as the executive's performance, a consideration of competitive compensation levels in companies similar to the Company and a review of the performance of the Company as a whole and the role such executive played in such corporate performance.

### *Discretionary Cash Bonus*

The Company, in its discretion, may award cash bonuses in order to motivate executives to achieve short-term corporate goals. The compensation committee will make recommendations to the Board (or, there being no compensation committee, the Board alone) who will approve cash bonuses. The success of executive officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of cash bonuses. In determining cash bonuses, the Board assesses each executive's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis.

### *Stock Option Plan*

Effective November 4, 2019, CDN Maverick established a Stock Option Plan (the "**Plan**"). The Plan is a 10% "rolling" plan pursuant to which the total number of Shares reserved and available for grant and issuance pursuant to the exercise of Options, shall not exceed 10% of the issued and outstanding Shares from time to time. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant

The issuance of Options granted under the Plan must at all times be compliant with applicable securities laws and the policies of the CSE in all respects.

Under the Plan, Options may be granted to directors, officers, consultants, and employees of CDN Maverick or its subsidiaries.

A full copy of the Plan is attached as Schedule "B" to this Circular.

## **Summary of Total Compensation for Named Executive Officers ("NEOs")**

As of May 19, 2023, the Company had two "Named Executive Officers", namely Sandy MacDougall, Chairman & President and Adam Cegielski, CEO.

### **Named Executive Officer Compensation**

The following table is a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to the NEOs for each of the Company's two most recently completed financial years ended December 31, 2022 and December 31, 2021.

Table of compensation excluding compensation securities								
Name and Position	Year	Salary (\$)	Share Based Awards (\$)	Option Based Awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
Sandy MacDougall <i>Chairman, President and Director</i>	2022	\$225,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$225,000
	2021	\$240,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$240,000
Adam Cegielski <i>CEO and Director</i>	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- Mr. Cegielski was appointed CEO on January 20, 2023 and as a Director on May 25, 2023.

**External Management Companies**

None of the NEOs of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Issuer, directly or indirectly.

**Outstanding Share-Based Awards and Option-Based Awards**

The following table shows all outstanding share-based awards and option-based awards held by each NEO as at December 31, 2022.

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 (\$)	Number of shares or units or shares that have not vested (#)	Market or other payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Sandy MacDougall	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Adam Cegielski	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Share-Based Awards and Option-Based Awards – Value Vested or Earned During the Year

The following table shows the value vested of all share-based and option-based awards held by each NEO as at December 31, 2022.

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 (\$)
Sandy MacDougall	Nil	Nil	Nil
Adam Cegielski	Nil	Nil	Nil

## Securities Authorized For Issuance Under Equity Compensation Plans

The following table provides information regarding the number of Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the Plan as at the date of this Circular.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders	325,000	\$0.17	994,121
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>TOTAL</b>	325,000	\$0.17	994,121

## Additional Information

### Interest of Informed Persons in Material Transactions

Since the beginning of CDN Maverick's last financial year, no "informed person" of CDN Maverick (including a director, officer or individual or corporation that beneficially owns or controls 10% or more of the issued and outstanding voting securities of CDN Maverick), proposed nominee for



election as a director of CDN Maverick ("proposed director"), or any associate or affiliate of any informed person or proposed director, has any material interest, direct or indirect in any transaction or any proposed transaction which has materially affected or would materially affect CDN Maverick or any of its subsidiaries.

### **Availability of Documents**

Copies of the documents referenced in this Circular may be obtained by a shareholder upon request without charge by contacting CDN Maverick at [info@cdnmaverick.com](mailto:info@cdnmaverick.com) or 604-662-7902. These documents are also available through the internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

### **Board of Directors' Approval**

The contents and sending of this management Proxy Circular have been approved by the Board of Directors of CDN Maverick.

Dated this 26<sup>th</sup> day of May, 2023.

By order of the Board of Directors,

*"Adam Cegielski"*

Adam Cegielski  
CEO

## **Schedule A – Audit Committee Charter**

**CDN MAVERICK CAPITAL CORP.**  
**(the “Company”)**

**AUDIT COMMITTEE CHARTER**

(Implemented pursuant to Multilateral Instrument 52-110)

Multilateral Instrument 52-110 (the “Instrument”) relating to the composition and function of audit committees was implemented for Alberta reporting companies effective March 30, 2004 and, accordingly, applies to every Canadian Securities Exchange listed company, including the Company. The Instrument requires all affected issuers to have a written audit committee Charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Company wherein management solicits proxies from the security holders of the Company for the purpose of electing directors to the Board.

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

**PART I**

**Purpose:**

The purpose of the Committee is to:

- a) ensure the quality of financial reporting;
- b) assist the Board to properly and fully discharge its responsibilities;
- c) provide an avenue of enhanced communication between the Board and external auditors;
- d) enhance the external auditor's independence;
- e) increase the credibility and objectivity of financial reports; and
- f) strengthen the role of the outside members of the Board by facilitating in-depth discussions between Members, management and external auditors.

**1.1 Definitions**

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“Affiliate” means a company that is a subsidiary of another company or companies that are controlled by the same entity;

"audit services" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“Board” means the board of directors of the Company;

“Charter” means this audit committee charter;

“Company” means CAELAN CAPITAL INC.

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;

“Control Person” means any person that holds or is one of a combination persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company, except where there is evidence showing that the holder of those securities does not materially affect control of the Company;

"executive officer" means an individual who is:

- a) the chair of the Company;
- b) the vice-chair of the Company;
- c) the President of the Company;
- d) the vice-president in charge of a principal business unit, division or function including sales, finance or production;
- e) an officer of the Company or any of its subsidiary entities who performs a policy-making function in respect of the Company; or
- f) any other individual who performs a policy-making function in respect of the Company;

“financially literate” has the meaning set forth in Section 1.3;

"immediate family member" means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual's home;

“independent” has the meaning set forth in Section 1.2;

“Instrument” means Multilateral Instrument 52-110;

"MD&A" has the meaning ascribed to it in National Instrument 51-102;

“Member” means a member of the Committee;

"National Instrument 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"non-audit services" means services other than audit services;

## **1.2 Meaning of Independence**

1. A Member is independent if the Member has no direct or indirect material relationship with the Company.

2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.
3. Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Company:
  - a) a Control Person of the Company;
  - b) an Affiliate of the Company; and
  - c) an employee of the Company.

**1.3 Meaning of Financial Literacy** -- For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

## **PART 2**

**2.1 Audit Committee** – The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

**2.2 Relationship with External Auditors** – The Company will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

### **2.3 Committee Responsibilities**

1. The Committee shall be responsible for making the following recommendations to the Board:
  - a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
  - b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
  - a) reviewing the audit plan with management and the external auditor;
  - b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - e) reviewing audited annual financial statements, in conjunction with the report of the

external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;

- f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
- g) reviewing interim unaudited financial statements before release to the public;
- h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
- i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
- j) reviewing the terms of reference of the internal auditor, if any;
- k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
- l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.

3. The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.

6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.

7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.

6. The Committee shall, as applicable, establish procedures for:

- a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
- b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

7. As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

8. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

**2.4 De Minimus Non-Audit Services** – The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- b) the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

**2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

**PART 3**

**3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee member shall be financially literate.

**PART 4**

**4.1 Authority** – Until the replacement of this Charter, the Committee shall have the authority to:

- a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) to set and pay the compensation for any advisors employed by the Committee,
- c) to communicate directly with the internal and external auditors; and
- d) recommend the amendment or approval of audited and interim financial statements to the Board.

## PART 5

**5.1 Disclosure in Information Circular** -- If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the Board, the Company shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*).

## PART 6

### 6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

### II. Composition of the Audit Committee

The Audit Committee is comprised of Mr. MacDougall, Mr. Born, and Mr. Arias E., Mr. Born and Mr. Arias E. are “*independent*” members and form the majority. All members are “*financially literate*” within the meanings given to those terms in the Charter.

### III. Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company’s external auditors not been adopted by the Board of Directors.

### IV. Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied of exemptions in relation to “*De Minimus Non-Audit Services*” or any exemption provided by Part 8 of Multilateral Instrument 52-110.

### V. Pre-Approval Policies and Procedures

The Company has not adopted any specific policies in relation to the engagement of non-audit services.



**Schedule B – Stock Option Plan**

**CDN MAVERICK CAPITAL CORP.  
INCENTIVE STOCK OPTION PLAN**

**PART 1  
INTERPRETATION**

1.1 Definitions. In this Plan, the following words and phrases shall have the following meanings:

- (a) **“Affiliate”** means a company that is a parent or subsidiary of the Company, or that is controlled by the same person as the Company;
- (b) **“Board”** means the board of directors of the Company and includes any committee of directors appointed by the directors as contemplated by Section 3.1;
- (c) **“Change of Control”** means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than 50% of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (d) **“Company”** means CDN Maverick Capital Corp.;
- (e) **“Consultant”** means an individual or Consultant Company, other than an Employee or Director, that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate, other than services provided in relation to a distribution of securities;
  - (ii) provides such services under a written contract between the Company or an Affiliate;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate; and
  - (iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;
- (f) **“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (g) **“CSE”** means the Canadian Securities Exchange;
- (h) **“Director”** means any director of the Company or any of its subsidiaries;
- (i) **“Eligible Person”** means a bona fide Director, Officer, Employee or Consultant, or a corporation wholly owned by such Director, Officer, Employee or Consultant;

- (j) **“Employee”** means:
  - (i) an individual who is considered an employee of the Company or a subsidiary of the Company under the Income Tax Act (and 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 subsidiary of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (ii) an individual who works for the Company or a subsidiary of the 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 over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (k) **“Exchange”** means the CSE or any other stock exchange on which the Shares are listed for trading;
- (l) **“Exchange Policies”** means the policies, bylaws, rules and regulations of the Exchange governing the granting of options by the Company, as amended from time to time;
- (m) **“Expiry Date”** means a date not later than 5 years from the date of grant of an option;
- (n) **“Income Tax Act”** means the Income Tax Act (Canada), as amended from time to time;
- (o) **“Insider”** has the meaning ascribed thereto in the Securities Act;
- (p) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
  - (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 Laws,

- (B) the Exchange, or
    - (C) the bylaws, rules or other regulatory instruments of any self-regulatory body or exchange having jurisdiction over the Company;
  - (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 such 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; or
  - (iv) activities or communications that may be otherwise specified by the Exchange;
  - (q) **“Joint Actor”** means a person acting jointly or in concert with another person;
  - (r) **“Optionee”** means the recipient of an option under this Plan;
  - (s) **“Officer”** means any senior officer of the Company or any of its subsidiaries;
  - (t) **“Plan”** means this incentive stock option plan, as amended from time to time;
  - (u) **“Securities Act”** means the Securities Act (British Columbia), as amended from time to time;
  - (v) **“Securities Laws”** means the acts, policies, bylaws, rules and regulations of the securities commissions governing the granting of options by the Company, as amended from time to time; and
  - (w) **“Shares”** means the common shares of the Company without par value.
- 1.2 **Governing Law.** The validity and construction of this Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 1.3 **Gender.** Throughout this Plan, whenever the singular or masculine or neuter is used, the same shall be construed as meaning the plural or feminine or body politic or corporate, and vice-versa as the context or reference may require.

**PART 2  
PURPOSE**

- 2.1 Purpose. The purpose of this Plan is to attract and retain Directors, Officers, Employees and Consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under this Plan to purchase Shares.

**PART 3  
GRANTING OF OPTIONS**

- 3.1 Administration. This Plan shall be administered by the Board or, if the Board so elects, by a committee (which may consist of only one person) appointed by the Board from its members.
- 3.2 Committee's Recommendations. The Board may accept all or any part of any recommendations of any committee appointed under Section 3.1 or may refer all or any part thereof back to such committee for further consideration and recommendation.
- 3.3 Board Authority. Subject to the limitations of this Plan, the Board shall have the authority to:
- (a) grant options to purchase Shares to Eligible Persons;
  - (b) determine the terms, limitations, restrictions and conditions respecting such grant
  - (c) interpret this Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan as it shall from time to time deem advisable; and
  - (d) make all other determinations and take all other actions in connection with the implementation and administration of this Plan including, without limitation, for the purpose of ensuring compliance with Section 7.1, as it may deem necessary or advisable.
- 3.4 Grant of Option. A resolution of the Board shall specify the number of Shares that shall be placed under option to each Eligible Person; the exercise price to be paid for such Shares upon the exercise of such option; any applicable hold period; and the period, including any applicable vesting periods required by Exchange Policies or by the Board, during which such option may be exercised.
- 3.5 Written Agreement. Every option granted under this Plan shall be evidenced by a written agreement between the Company and the Optionee substantially in the form attached hereto as Schedule "A", containing such terms and conditions as are required by Exchange Policies and applicable Securities Laws, and, where not expressly set out in the agreement, the provisions of such agreement shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of the agreement and this Plan, the terms of this Plan shall govern.
- 3.6 Withholding Taxes. If the Company is required under the Income Tax Act or any other applicable law to make source deductions in respect of Employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable

benefit associated with the issuance of any Shares upon the exercise of options, then any Optionee who is deemed an Employee shall:

- (a) pay to the Company, in addition to the exercise price for such options, the amount necessary to satisfy the required tax remittance as is reasonably determined by the Company;
- (b) authorize the Company, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Company determines a portion of the Shares issued upon the exercise of such options to realize proceeds to be used to satisfy the required tax remittance; or,
- (c) make other arrangements acceptable to the Company to satisfy the required tax remittance.

#### **PART 4 RESERVE OF SHARES**

- 4.1 Sufficient Authorized Shares to be Reserved. A sufficient number of Shares shall be reserved by the Board to permit the exercise of any options granted under this Plan. Shares that were the subject of any option that has lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this Plan.
- 4.2 Maximum Number of Shares Reserved. Unless authorized by the shareholders of the Company, this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at any time, in the number of Shares reserved for issuance pursuant to options exceeding 10% of the issued and outstanding Shares as at the date of grant of any option under this Plan.
- 4.3 Limits with Respect to Individuals. The aggregate number of Shares subject to an option that may be granted to any one individual in any 12-month period under this Plan shall not exceed 5% of the issued and outstanding Shares determined at the time of such grant.
- 4.4 Limits with Respect to Consultants. The aggregate number of Shares subject to an option that may be granted to any one Consultant in any 12-month period under this Plan shall not exceed 2% of the issued and outstanding Shares determined at the time of such grant.
- 4.5 Limits with Respect to Investor Relations Activities. The aggregate number of Shares subject to an option that may be granted to any one person conducting Investor Relations Activities in any 12-month period under this Plan shall not exceed 2% of the issued and outstanding Shares determined at the time of such grant.

#### **PART 5 CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS**

- 5.1 Exercise Price. Subject to Section 5.2, the exercise price of an option may not be lower than the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant

of the stock options; and (b) the date of grant of the stock options, less any applicable discount allowed by the Exchange.

- 5.2 Exercise Price if Distribution. If any options are granted within 90 days of a public distribution by prospectus, then the minimum exercise price shall be the greater of that specified in Section 5.1 and the price per share paid by the investors for Shares acquired under the public distribution. The 90-day period shall commence on the date the Company is issued a final receipt for the prospectus.
- 5.3 Expiry Date. Each option shall, unless sooner terminated, expire on a date to be determined by the Board which shall not be later than the Expiry Date.
- 5.4 Different Exercise Periods, Prices and Number. The Board may, in its absolute discretion, upon granting an option under this Plan and subject to the provisions of Section 5.3, specify a particular time period or periods following the date of granting such option during which the Optionee may exercise the option and may designate the exercise price and the number of Shares in respect of which such Optionee may exercise the option during each such time period.
- 5.5 Vesting Provisions. The Board may, in its absolute discretion, determine the vesting provisions of options granted under this Plan with the exception that options granted to any person engaged in Investor Relations Activities shall vest in stages over 12 months with no more than  $\frac{1}{4}$  of the stock options vesting in any three-month period.
- 5.6 Ceasing to Hold Office – Directors and Officers. If a Director or Officer ceases to hold office for any reason other than death, such Director or Officer shall have the right to exercise any vested option granted to him under this Plan and not exercised prior to such cessation of office within a period of 90 days after the date of such cessation of office, or such shorter period as may be set out in the Optionee's written agreement.
- 5.6 Termination of Employment or Engagement – Employees and Consultants. If an Employee or Consultant ceases to be so engaged by the Company for any reason other than death, such Employee or Consultant shall have the right to exercise any vested option granted to him under this Plan and not exercised prior to such cessation of office within a period of 30 days after the date of such termination, or such shorter period as may be set out in the Optionee's written agreement.
- 5.7 Termination of Investor Relations Activities. If an Optionee who is engaged in Investor Relations Activities ceases to be so engaged by the Company, such Optionee shall have the right to exercise any vested option granted to the Optionee under this Plan and not exercised prior to such termination within a period of 30 days after the date of termination, or such shorter period as may be set out in the Optionee's written agreement.
- 5.8 Death of Optionee. If an Optionee dies prior to the expiry of an option, his heirs or administrators may within 12 months from the date of the Optionee's death exercise that portion of an option granted to the Optionee under this Plan which remains vested and outstanding.
- 5.9 Assignment. No option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than as provided for in Section 5.7.

- 5.10 Notice. Options shall be exercised only in accordance with the terms and conditions of the written agreements under which they are granted and shall be exercisable only by notice in writing to the Company substantially in the form attached hereto as Schedule "B".
- 5.11 Payment. Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee upon the exercise of an option shall be paid for in full in cash at the time of their purchase.

## PART 6 CHANGES IN OPTIONS

- 6.1 Share Consolidation or Subdivision. In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for option and the price payable for any Shares that are then subject to option shall be adjusted accordingly.
- 6.2 Stock Dividend. In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for option and the price payable for any Shares that are then subject to option may be adjusted by the Board to such extent as it deems proper in its absolute discretion.
- 6.3 Effect of a Take-Over Bid. If a bona fide offer to purchase Shares (an "Offer") is made to an Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of Section 1(1) of the Securities Act, the Company shall, upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Shares subject to option (the "Option Shares") shall become vested and such option may be exercised in whole or in part by such Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise pursuant to the Offer. However, if:
- (a) the Offer is not completed within the time specified therein including any extensions thereof; or
  - (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option 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 Option Shares, the option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to Section 3.4 shall be reinstated. If any Option Shares are returned to the Company under this Section 6.3, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.



- 6.4 Acceleration of Expiry Date. If, at any time when an option granted under this Plan remains unexercised with respect to any unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of options granted under this Plan vested, and declare that the Expiry Date for the exercise of all unexercised options granted under this Plan is accelerated so that all options shall either be exercised or shall expire prior to the date upon which Shares must be tendered pursuant to the Offer.
- 6.5 Effect of a Change of Control. If a Change of Control occurs, all outstanding options shall become vested, whereupon such options may be exercised in whole or in part by the applicable Optionee.
- 6.6 Other Stock Exchange Listing. In the event that the Company applies or intends to apply for listing on a stock exchange other than the CSE and, based on the policies and requirements of the other stock exchange, the Company believes that any or all options granted hereunder will not be accepted or approved by the other stock exchange, then the Company may, in its sole discretion, immediately cancel any or all options that remains outstanding to meet the listing requirements of the other stock exchange. If the Company cancels any such options pursuant to this Section 6.6, then no compensation will be owed by the Company to the applicable Optionee.
- 6.7 Approval and Cancellation. In the event that approval from the CSE or other stock exchange, as applicable, is not received for the grant of any options hereunder, each Optionee agrees that the Company may immediately cancel any or all such options that remains outstanding. If the Company cancels any of such options pursuant to this Section 6.7, then no compensation shall be owed by the Company to the applicable Optionee.

## **PART 7 SECURITIES LAWS AND EXCHANGE POLICIES**

- 7.1 Securities Laws and Exchange Policies Apply. This Plan and the granting and exercise of any options hereunder are also subject to such other terms and conditions as are set out from time to time in applicable Securities Laws and Exchange Policies and such terms and conditions shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between such terms and conditions and this Plan, such terms and conditions shall govern. In the event that the Shares are listed on a new stock exchange, in addition to the terms and conditions set out from time to time in applicable Securities Laws, the granting or cancellation of options shall be governed by the terms and conditions set out from time to time in the policies, bylaws, rules and regulations of the new stock exchange and unless inconsistent with the terms of this Plan, the Company shall be able to grant or cancel options pursuant to the policies, bylaws, rules and regulations of such new stock exchange without requiring shareholder approval.

## **PART 8 AMENDMENT**

- 8.1 Board May Amend. The Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the Optionees concerned,

affect the terms and conditions of options previously granted under this Plan which have not then lapsed, terminated or been exercised.

- 8.2 Exchange Approval. Any amendment to this Plan or options granted pursuant to this Plan shall not become effective until such Exchange and shareholder approval as is required by Exchange Policies and applicable Securities Laws has been received.
- 8.3 Amendment to Insider's Options. Any amendment to options held by Insiders which results in a reduction in the exercise price of the options at the time of the amendment shall be conditional upon obtaining disinterested shareholder approval for that amendment.

## **PART 9 EFFECT OF PLAN ON OTHER COMPENSATION OPTIONS**

- 9.1 Other Options Not Affected. This Plan is in addition to any other existing stock options granted prior to and outstanding as at the date of this Plan and shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Employees and Consultants.

## **PART 10 OPTIONEE'S RIGHTS AS A SHAREHOLDER**

- 10.1 No Rights Until Option Exercised. An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to the Optionee upon the exercise of an option.

## **PART 11 EFFECTIVE DATE OF PLAN**

- 11.1 Effective Date. This Plan shall become effective upon its approval by the Board.



