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Form 51-102F6V

Statement of Executive Compensation – Venture Issuers (for financial year ended May 31, 2022)

The following information, dated as of August 15, 2023, is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than CAD\$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During financial year ended May 31, 2022, based on the definition above, the NEOs of the Company were Nick Brusatore, President, CEO, and a director, and Sarj Dhaliwal, CFO. The directors of the Company who were not NEOs during the financial year ended May 31, 2022 were Alan Boyco and Rick Easthom.

During financial year ended May 31, 2021, based on the definition above, the NEOs of the Company were Randip Minhas, President, CEO, interim CFO and a director, Nicholas Brusatore, President CEO and a director, and Sarj

Dhaliwal, CFO. The directors of the Company who were not NEOs during the financial year ended May 31, 2021 were Alan Boyco, Rick Easthom and Brian Whitlock.

Director and NEO Compensation, Excluding Options and Compensation Securities

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the board of directors of the Company (the “**Board**”) for the financial years ended May 31, 2022 and May 31, 2021. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities*” below.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Nicholas Brusatore ⁽¹⁾ President, CEO and Director	2022	\$26,667	Nil	Nil	Nil	Nil	\$26,667
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Sarj Dhaliwal ⁽²⁾ Former CFO	2022	\$66,000	Nil	Nil	Nil	Nil	\$66,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Alan R. Boyco ⁽³⁾ Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Rick Easthom ⁽⁴⁾ Director and Former Chairman	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Randip Minhas ⁽⁵⁾ Former President, CEO, Interim CFO and Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	\$77,296	Nil	Nil	Nil	Nil	\$77,296
Brian Whitlock ⁽⁶⁾ Former Chairman and Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Brusatore was Chairman of the Board from May 9, 2014 to September 14, 2015, a director from May 9, 2014 to December 4, 2016, President and CEO from January 29, 2018 to September 28, 2018 and re-appointed as President, CEO and director on November 28, 2020. Mr. Brusatore was appointed as interim CFO on June 7, 2022. The Company pays Mr. Brusatore a salary for his services as CEO in accordance with the Brusatore Agreement. See “*Employment, Consulting and Management Agreements – Executive Employment Agreement with Nicholas Brusatore.*”
- (2) Ms. Dhaliwal was appointed as CFO on December 8, 2020. Ms. Dhaliwal resigned as CFO on June 7, 2022. The compensation paid to Ms. Dhaliwal was consideration for her acting as CFO.
- (3) Mr. Boyco was appointed to the Board on April 24, 2014.
- (4) Mr. Easthom was appointment to the Board on June 6, 2016 and as Chairman of the Board on December 1, 2020. Mr. Easthom resigned as Chairman of the Board on July 6, 2022.
- (5) Mr. Minhas was President, CEO and a director from September 28, 2018 to November 27, 2020 and interim CFO from May 2, 2018 to November 27, 2020.
- (6) Mr. Whitlock was a director from September 14, 2015 to November 30, 2020 and Chairman of the Board from September 28, 2018 to November 30, 2020.

Stock Options and Other Compensation Securities

The following table set forth Options issued pursuant to the Company’ Stock Option Plan (defined herein) to NEOs and directors of the Company during the financial year ended May 31, 2022:

Compensation Securities ⁽¹⁾							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽²⁾	Date of Issue or Grant	Issue, conversi on or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$) ⁽³⁾	Expiry date
Nicholas Brusatore President, CEO and Director	Options	200,000 (12.5%)	May 10, 2022	\$0.50	\$0.30	\$0.25	May 10, 2027
Sarj Dhaliwal⁽²⁾ Former CFO	Options	200,000 (12.5%)	July 21, 2021	\$0.40	\$0.35	\$0.25	July 21, 2031
Alan R. Boyco Director	Options	200,000 (12.5%)	July 21, 2021	\$0.40	\$0.35	\$0.25	July 21, 2031
Rick Easthom Director and Former Chairman	Options	200,000 (12.5%)	July 21, 2021	\$0.40	\$0.35	\$0.25	July 21, 2031

Notes:

- (1) Figures are presented on a post-consolidation basis following the Company’s 10-1 share consolidation on June 20, 2022.
- (2) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Company outstanding as of May 31, 2022 (1,600,000). As of May 31, 2022, the NEOs and Directors of the Company held the following number of Options: Nicholas Brusatore (200,000 Options), Sarj Dhaliwal (200,000 Options), Alan R. Boyco (200,000 Options), and Rick Easthom (200,000 Options).
- (3) Closing price of the Company’s common shares as at May 31, 2022.

Exercise of Compensation Securities by NEOs and Directors

There were no Options exercised by any of the NEOs or directors of the Company during the financial year ended May 31, 2022.

10% Rolling Stock Option Plan (Option-Based Awards)

Effective on January 7, 2021, the Board adopted a new form 10% rolling stock plan (the “**Stock Option Plan**”) to continue to be compliant with the CSE in accordance with CSE policies. The Stock Option Plan was approved by Shareholders at the Company’s annual general meeting held on March 5, 2021.

The purpose of the Stock Option Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward directors, officers, employees and other service providers for their contribution toward the long term goals of the Company and to enable and encourage such individuals to acquire shares of the Company as long term investments.

The following information is intended to be a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan. All capitalized words not defined within the Information Circular have the meanings ascribed to such term in the Stock Option Plan:

- (a) the Stock Option Plan provides that up to 10% of the issued and outstanding common shares from time to time may be reserved for issue, less any common shares reserved for issuance under any other share compensation arrangement. The options (“**Options**”) are non-assignable and may be granted for a term not exceeding ten years.

- (b) the exercise price shall not be lower than the greater of the closing market price of the common shares on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options.
- (c) the terms of an Option may not be amended once issued. If an Option is cancelled prior to its expiry date, the Company shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

Assignability of Options. All Options will be exercisable only by the optionee to whom they are granted and will not be assignable or transferable.

Amendment of the Stock Option Plan by the Board of Directors.

The Board shall have the authority to do the following:

- 1) oversee the administration of the Stock Option Plan in accordance with its terms;
- 2) appoint or replace the Administrator from time to time;
- 3) determine all questions arising in connection with the administration, interpretation and application of the Stock Option Plan, including all questions relating to the Market Value;
- 4) correct any defect, supply any information or reconcile any inconsistency in the Stock Option Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Stock Option Plan;
- 5) prescribe, amend, and rescind rules and regulations relating to the administration of the Stock Option Plan;
- 6) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- 7) do the following with respect to the granting of Options:
 - (a) determine the Executives, Employees or Consultants to whom options shall be granted, based on the eligibility criteria set out in this Stock Option Plan;
 - (b) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (c) subject to any necessary Regulatory Approvals, amend the terms of any Options;
 - (d) determine when Options shall be granted; and
 - (e) determine the number of Common Shares subject to each Option;
 - (f) accelerate the vesting schedule of any Option previously granted; and
 - (g) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Stock Option Plan.

Amendments to the Stock Option Plan requiring Regulatory Approvals

Subject to any required Regulatory Approvals, the Company may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of this Stock Option Plan, the Company must also obtain the written consent of the Option Holder in question to such amendment. If at the time the exercise price of an Option is reduced the Option Holder is an insider of the Company, the Insider must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

Black-Out Period. The Stock Option Plan also contains a “black-out” provision. Should the Expiry Date for an Option fall within a Blackout Period, within or immediately after a Black Out, the Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Black Out; provided, that, the expiration date as extended will not in any event be beyond the later of: (i) December 31 of the calendar year in which the Option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire.

Any Option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Share Option Plan and shall, as of the date this Share Option Plan comes into effect, be governed by the terms and conditions hereof.

A copy of the Stock Option Plan can be located on the Company’s SEDAR profile at www.sedarplus.ca.

Employment, Consulting and Management Agreements

Executive Employment Agreement with Nicholas Brusatore

Mr. Brusatore entered into an executive employment agreement (the “**Brusatore Agreement**”) with the Company with a term commencing on April 1, 2022. Pursuant to the Brusatore Agreement, the Company has engaged Mr. Brusatore to act as its CEO until April 1, 2025, unless the Brusatore Agreement is terminated earlier in accordance with its terms. The Company currently pays Mr. Brusatore a base salary of \$160,000 per annum. Following the completion of a private placement financing for minimum gross proceeds of \$10,000,000 (the date on which such a financing closes is referred to herein as the “**Financing Date**”), the base salary payable to Mr. Brusatore will increase to \$250,000 per annum. The Company may terminate the Brusatore Agreement for just cause in which case it would be required to pay Mr. Brusatore all accrued but unpaid compensation payable up to the date of termination. In the event the Company terminates the Brusatore Agreement without cause prior to the Financing Date it is required to provide Mr. Brusatore with three months’ notice or three months’ salary in lieu. If the Company terminates the Brusatore Agreement without cause after the Financing Date it is required to provide Mr. Brusatore with six months’ notice or six months’ salary in lieu. The Brusatore Agreement also contains standard confidentiality, non-compete, and non-solicitation provisions.

External Management Companies

None of the NEOs or directors 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 Company, directly or indirectly.

Oversight and Description of Director and Named Executive Officer Compensation

The Company does not have a compensation committee or a formal compensation policy. The Company relies solely on the Board to determine the compensation of the NEOs and directors. In determining compensation, the Board considers industry standards and the Company’s financial situation, but the Company does not have any formal objectives or criteria. The performance of each executive officer is informally monitored by the Board, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole seeks to accomplish the following goals:

- To recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;
- To motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- To align the interests of executive officers with the long-term interests of shareholders through participation in the Stock Option Plan.

When considering the appropriate executive compensation to be paid to our officers and directors, the Board will have regard to a number of factors including: (i) recruiting and retaining individuals critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

The Board did not use any formal peer group evaluation to determine compensation.

In compensating its officers and directors, the Company has employed a combination of base salary and equity participation through its current Stock Option Plan.

Base Salary

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Board. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's current Stock Option Plan, in which certain securities are granted to executives taking into account a number of factors, including the amount and term of Options previously granted, base salary and bonuses and competitive factors. The amounts and terms of Options granted are determined by the Board based on recommendations put forward by the CEO. The Company emphasizes the provision of Options to maintain executive motivation.

Compensation Review Process

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation currently is based on a base salary, with Options and bonuses potentially being issued and paid as an incentive for performance. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program.

Risks Associated with the Company's Compensation Program

The Board has assessed the Company's compensation plans for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Benefits and Perquisites

The Company does not, as of the date hereof, offer any benefits or perquisites to its NEOs other than potential grants of Options as otherwise disclosed and discussed herein.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.