

Listed on the Canadian Securities Exchange under the symbol (“AFI”)

Form 51-102F6V

Statement of Executive Compensation – Venture Issuers (for financial year ended May 31, 2024)

The following information, dated as of December 5, 2024, 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 – *Continuous Disclosure Obligations*.

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.

During financial year ended May 31, 2024, based on the definition above, the NEOs of the Company were Ben Hogervorst, Chairman and director, and Nicholas Brusatore, President, CEO, Interim CFO, and director. The directors of the Company who were not NEOs during the financial year ended May 31, 2024 were Alan R. Boyco and Rick Easthom.

During financial year ended May 31, 2023, based on the definition above, the NEOs of the Company were, Ben Hogervorst, Chairman and director and Nicholas Brusatore, President, CEO, Interim CFO, and director, and Sarj Dhaliwal, CFO. The directors of the Company who were not NEOs during the financial year ended May 31, 2023 was Alan R. Boyco.

Effective on July 28, 2022, Ben Hogervorst was appointed Chairman of the Company. Rick Easthom served as Chairman of the Company from December 1, 2020 to July 6, 2022.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

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, 2024 and May 31, 2023. Options and compensation securities are disclosed under the heading “*Outstanding 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, Interim CFO, and Director	2024	\$160,000	Nil	Nil	Nil	Nil	\$160,000
	2023	\$160,000	Nil	Nil	Nil	Nil	\$160,000
Sarj Dhaliwal ⁽²⁾ Former CFO	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Alan R. Boyco ⁽³⁾ Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Rick Easthom ⁽⁴⁾ Director and Former Chairman	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Ben Hogervorst ⁽⁵⁾ Director and Chairman	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Brusatore served as Chairman of the Board from May 9, 2014 to September 14, 2015. Mr. Brusatore served as President and CEO from January 29, 2018 to September 28, 2018 and was re-appointed President, CEO on November 28, 2020. Mr. Brusatore served as a Director of the Company from May 9, 2014 to December 4, 2016 and was re-appointed a Director of the Company on November 28, 2020. Mr. Brusatore was appointed 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) Mr. Dhaliwal served as CFO of the Company from December 8, 2020 to June 7, 2022.
- (3) Mr. Boyco was appointed to the Board on April 24, 2014.
- (4) Mr. Easthom was appointed to the Board on June 6, 2016 and served as Chairman from December 1, 2020 to July 6, 2022.
- (5) Mr. Hogervorst was appointed to the Board and appointed as Chairman on July 28, 2022.

Stock Options and Other Compensation Securities

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

The Company has in place a 10% rolling stock plan which was adopted by the shareholders of the Company at the Company’s March 7, 2024 annual general meeting (the “**Stock Option Plan**”). In accordance with Canadian Securities Exchange policies (the “**CSE**”), the Company will continue to have the ability to grant awards under the Stock Option Plan and to satisfy such awards through the issuance of common shares from treasury of the Company until March 7, 2027.

A copy of Stock Option Plan is attached as Schedule “B” to the Company’s March 7, 2024 annual general meeting Information Circular and can be located on the Company’s SEDAR+ profile at www.sedarplus.ca.

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 d Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

Material Terms of the Stock Option Plan

Administration

The Stock Option Plan shall be administered by the Board, a special committee of the Board (the “**Committee**”) or by an administrator appointed by the Board or the Committee (the “**Administrator**”) either of which will have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Company, as the Board, the Committee or the Administrator may from time to time designate.

Number of Common Shares Reserved

Subject to adjustment as provided for in the Stock Option Plan, the aggregate number of Common Shares which will be available for purchase pursuant to Options granted under to the Stock Option Plan will not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to the Stock Option Plan.

Exercise Price

The exercise price at which an Option holder may purchase a Common Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option certificate (an “**Option Certificate**”) issued in respect of the Option. The exercise price shall not be less than the price determined in accordance with CSE policies while, and if, the Company’s Common Shares are listed on the CSE.

Limits on Option Grants

The Company shall only grant Options under the Stock Option Plan in accordance with Section 10 and, for greater certainty, may not grant any Options under the Stock Option Plan unless an exemption under NI 45- 106 is available. For so long as the Company is a reporting issuer listed on the CSE, Section 2.24 of NI 45-106 shall not apply to the Stock Option Plan and all Options granted thereunder to any Employees or Consultants who are engaged in Investor Relations Activities for the Company, any associated Consultant, any executive officer of the Company, any director of the Company or any permitted assign of those Persons if, after the grant:

(a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to

(i) Related Persons, exceeds 10% of the outstanding securities of the Company, or

(ii) a Related Person, exceeds 5% of the outstanding securities of the Company, or

(b) the number of securities, calculated on a fully diluted basis, issued within 12 months to

(i) Related Persons, exceeds 10% of the outstanding securities of the Company, or

(ii) a Related Person and the Associates of the Related Person, exceeds 5% of the outstanding securities of the Company; unless the Company obtains security holder approval in accordance with the Regulatory Rules, including the requirements under NI 45-106.

Limits on Option Grants for Investor Relations Activities

The maximum number of Options which may be granted within a 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the Outstanding Issue.

Exercise Price

The exercise price at which an Option holder may purchase a Common Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option certificate (an “**Option Certificate**”) issued in respect of the Option. The exercise price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

(a) if the Company’s Shares are listed on the CSE, and the Committee determines the CSE to be the Company’s primary Exchange, Market Value will be the greater of the closing trading price of the Shares on (i) the trading day prior to the Grant Date and (ii) the Grant Date;

(b) subject to subparagraph (a) above, for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;

(c) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraphs (a) or (b) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;

(d) subject to subparagraph (a), if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and

(e) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

Maximum Term of Options

The term of any Option granted under the Stock Option Plan (the "Term") shall be determined by the Board, the Committee or the Administrator, as applicable, at the time the Option is granted but, subject to earlier termination in the event of termination, or in the event of death or disability of the Option holder. In the event of death or disability, the Option shall expire on the earlier of the date which is one year following the date of disability or death and the applicable expiry date of the Option. Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Termination

Subject to such other terms or conditions that may be attached to Options granted under the Stock Option Plan, an Option holder may exercise an Option in whole or in part at any time and from time to time during the Term. Any Option or part thereof not exercised within the Term shall terminate and become null, void and of no effect as of the date of expiry of the Option. The expiry date of an Option shall be the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate or, if no such date is set out in for the Option Certificate the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or in the event of death or disability (as discussed above under "Maximum Term of Options") or in the event of certain triggering events occurring, as provided for under the Stock Option Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option holder holds his or her Option as an executive and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Committee, the Board or the Administrator, as applicable and expressly provided for in the Option certificate, the 30th day following the date the Option holder ceases to hold such position unless the Option holder ceases to hold such position as a result of:
 - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option holder as a director of the Company or any subsidiary; or
 - (iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position; or

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option holder holds his or her Option as an employee or consultant and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Committee, the Board or the Administrator, as applicable, and expressly provided for in the Option certificate, the 30th day following the date the Option holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning or terminating his or her position; or
- (iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position.

In the event that the Option holder ceases to hold the position of executive, employee or consultant for which the Option was originally granted, but comes to hold a different position as an executive, employee or consultant prior to the expiry of the Option, the Committee, the Board or the Administrator, as applicable, may, in its sole discretion, choose to permit the Option to stay in place for that Option holder with such Option then to be treated as being held by that Option holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option holder. Notwithstanding anything else contained in the Stock Option Plan, in no case will an Option be exercisable later than the expiry date of the Option.

Non-transferable Options are non-assignable and non-transferable

Powers of Committee

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Stock Option Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) 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;
- (d) 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;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Stock Option Plan;
- (f) 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 Stock Option Plan;
- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in the Stock Option Plan;
 - (ii) 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);
 - (iii) subject to any necessary Regulatory Approvals and Section 9.2 of the Stock Option Plan amend the terms of any Options;
 - (iv) determine when Options shall be granted; and
 - (v) determine the number of Shares subject to each Option;
- (h) accelerate the Vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Stock Option Plan.

Amendment of Stock Option Plan Requiring Approvals

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Stock Option 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 the Stock Option Plan, the Committee 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.

Outstanding Compensation Securities

The following table discloses all compensation securities outstanding to each NEO of the Company and to a director who was not an NEO of the Company, or a subsidiary of the Company during financial year ended May 31, 2024 for services provided or to be provided, directly or indirectly, to the Company, or a subsidiary of the Company.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, underlying securities and percentage of class⁽¹⁾ (#)	Date of Grant or Issue (mm/dd/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date (mm/dd/yy)
Ben Hogervorst Chairman and Director	Options	100,000 (0.27%)	November 2, 2021	0.30	\$0.025	\$0.12	November 2, 2031
	Options	200,000 (0.54%)	December 29, 2023	0.10	\$0.075		December 29, 2025
Nicholas Brusatore CEO and Director	Options	200,000 (0.54%)	May 10, 2022	0.50	\$0.03	\$0.12	May 10, 2025
	Options	200,000 (0.54%)	December 29, 2023	0.10	\$0.075		December 29, 2025
Alan R. Boyco Director	Options	200,000 (0.54%)	July 25, 2021	0.40	\$0.035	\$0.12	July 25, 2031
	Options	200,000 (0.54%)	December 29, 2023	0.10	\$0.075		December 29, 2025
Rick Easthom Director	Options	200,000 (0.54%)	July 25, 2021	0.40	\$0.035	\$0.12	July 25, 2031
	Options	200,000 (0.54%)	December 29, 2023	0.10	\$0.075		December 29, 2025

Note:

⁽¹⁾ Represents the percentage of the 37,176,026 issued and outstanding Common Shares of the Company as at May 31, 2024.

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, 2024.

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 the Company’s non-brokered unit financing which closed on October 10, 2024 (the date on which such a financing closes is referred to herein as the “**Financing Date**”), the base salary payable to Mr. Brusatore increased 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 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 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.