

## VINERGY CAPITAL INC.

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Vancouver, BC V6C 1T2  
Telephone No. : (604) 602-0001

### INFORMATION CIRCULAR

*(Information as at November 8, 2021 unless indicated otherwise)*

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the Management of Vinergy Capital Inc. (the “**Company**”) for use at the In Person / Teleconference Call Annual General Meeting (the “**Meeting**”) of its shareholders to be held on **Wednesday, December 22, 2021 at 11:00 am**, Pacific Time, at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to “the **Company**”, “**we**” and “**our**” refer to Vinergy Capital Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold common shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. . “**Registered Shareholder**” means the person whose name appears on the central securities register maintained by or on behalf of the Company and who holds Common Shares in his or her own name.

**In view of the precautions required with respect to COVID-19, any shareholder who wishes to attend the Meeting in person must contact the Company at least 48 hours prior to the Meeting at 604 602-0001.**

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors and/or officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

#### Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the common shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified, the persons named in the Proxy will vote the common shares represented by the Proxy FOR the approval of such matter.**

### **Registered Shareholders**

If you are a Registered Shareholder and wish to have your common shares voted at the Meeting, you will be required to submit your vote by proxy. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the Proxy and returning it to the Company's transfer agent, Endeavor Trust Corporation ("**Endeavor Trust**"), in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their common shares via the internet or by telephone as per the instructions provided on the Proxy.

**In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy:

- (a) Complete, date and sign the Proxy and return it to the Company's transfer agent, Endeavor Trust, by fax (604) 559-8908, or by mail to Suite 702, 777 Hornby Street, Vancouver, British Columbia Canada V6Z 1S2, or by email to [proxy@transferagent.ca](mailto:proxy@transferagent.ca).
- (b) Use the internet through the website of the Company's transfer agent at [www.eproxy.ca](http://www.eproxy.ca). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's control number and password.

### **Beneficial Shareholders**

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "**intermediary**"). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBOs**") who object to their name being disclosed to the issuers of the securities they own; and Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to their name being disclosed to the issuers of the securities they own.

This year, Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States will mail the Meeting proxy materials to the Beneficial Shareholders. The Company will not be taking advantage of the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit the Company to deliver proxy-related materials directly to its NOBOs and OBOs. As a result Beneficial Shareholders will receive a Voting Instruction Form ("**VIF**") from Broadridge, which VIF should be completed by the Beneficial Shareholder and returned to Broadridge in the envelope provided or by a delivery option described on the VIF itself, which contains complete instructions. Broadridge will tabulate the results of the VIFs received from Beneficial Shareholders and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs Broadridge receives.

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

*If the Company has chosen to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions. In this case, the Company has asked the intermediary, Broadridge, to send the Meeting proxy materials to the Beneficial Shareholders.*

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge both in Canada and in the United States. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or your instructions may be given to Broadridge by phone or via the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting or to have an alternate representative duly appointed to attend and vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada, and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended (the "BCBCA"), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Endeavor Trust Corporation at Suite 702 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, at any time up to and including the last business day that precedes the day of the Meeting or, if

the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

## FINANCIAL STATEMENTS

The consolidated audited financial statements of the Company for the financial years ended February 28, 2021 and February 29, 2020, the report of the auditor thereon and the related management's discussion and analysis were filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and will be tabled at the Meeting.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed November 8, 2021 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value, without Special Rights or Restrictions and an unlimited number of Preferred Shares without par value, with Special Rights or Restrictions attached. As at the Record Date, there were 104,956,659 Common Shares issued and outstanding, each carrying the right to one vote. No Preferred Shares have been issued.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company.

## ELECTION OF DIRECTORS

The Board proposes that the number of directors be fixed at four (4) for the ensuing year. Shareholders will therefore be asked to approve an ordinary resolution that the number of directors to comprise the Board for the ensuing year be fixed at four (4).

The Board of Directors currently consists of four (4) directors. The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as a director, the province and country in which he is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company	Occupation, Business or Employment <sup>(1)</sup>	Director Since	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>Arif Merali</b> British Columbia, Canada <i>Director</i>	Self-employed business executive, officer & director of several junior resource and non-resource public companies.	May 29, 2020	1,000,000 <sup>(3)</sup>
<b>Alnoor Nathoo</b> Alberta, Canada <i>Chairman, Interim CEO and Director</i>	Self-employed business executive, officer & director of several junior resource and non-resource public companies.	April 6, 2021	3,566,000 <sup>(4)</sup>
<b>Ken Ralfs<sup>(2)</sup></b> British Columbia, Canada <i>Director</i>	Retired businessperson; director and/or senior officer of various TSX Venture Exchange and CSE listed companies.	November 12, 2013	Nil <sup>(5)</sup>
<b>Christopher P. Cherry</b> British Columbia, Canada <i>Director</i>	Chartered Accountant and Certified General Accountant, Cherry Consulting Ltd.; self-employed management consultant providing management and accounting consulting services to public companies.	September 17, 2021	Nil <sup>(6)</sup>

Notes:

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) Member of Audit Committee.
- (3) Mr. Merali holds stock options to purchase 500,000 common shares at an exercise price of \$0.06 expiring December 22, 2022 and 500,000 warrants to acquire 500,000 common shares at \$0.05 expiring May 23, 2022.
- (4) Mr. Nathoo also hold warrants to acquire 1,000,000 common shares at \$0.25 per share expiring April 14, 2023. Mr. Nathoo also holds warrants to acquire 1,000,000 common shares at an exercise price of \$0.05 per share expiring May 23, 2022.
- (5) Mr. Ralfs holds stock options to purchase 500,00 common shares at an exercise price of \$0.06 expiring December 22, 2022.
- (6) Mr. Cherry holds stock options to purchase 250,000 common shares at an exercise price of \$0.09 expiring September 17, 2024.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

### Corporate Cease Trade Orders or Bankruptcies

Other than as set out below, no proposed director:

- (a) is, as at the date of the information circular (the “Circular”), or has been, within 10 years before the date of this Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Company in respect of which this Circular is prepared) that,
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or

- (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about whether to vote for the proposed director.

### *Disclosure*

Mr. Ralfs is a director of King Global Ventures Inc. (“King Global”), a TSX Venture Exchange listed company. King Global was subject to a cease trade order issued by the Ontario Securities Commission on June 22, 2020 for failing to file its annual financial statements, the related management discussion and analysis and the certification of annual filings for the year ended December 31, 2019 (the December 31, 2019 Annual Financial Statements”). The December 31, 2019 Annual Financial Statements were filed by King Global on August 10, 2020 and the cease trade order was rescinded effective August 19, 2020.

On July 21, 2020, the BCSC issued a CTO against Gold Port Corporation (“**Gold Port**”) and all of its insiders, including Christopher P. Cherry, for failure to file its Financial Materials for the year ended December 31, 2019. On July 22, 2020, the Canadian Securities Exchange (the “**CSE**”) suspended Gold Port from trading. On August 31, 2020, Gold Port filed the Financial Materials and the CTO was lifted on September 2, 2020. Gold Port was reinstated for trading on the CSE on September 3, 2020.

Mr. Cherry was a former director and/or officer of Wolfeye Resource Corp. (now Lexagene Holdings Inc.) (“**Lexagene**”). On August 7, 2013, the BCSC issued a CTO against Lexagene and its insiders for failure to file Financial Materials for the year ended March 31, 2013. On August 8, 2013, trading in Lexagene’s common shares was suspended by the TSX Venture Exchange (the “**TSXV**”) for failure to file the Financial Materials for the year ended March 31, 2013. On September 26, 2013, Lexagene filed the Financial Materials and the CTO was lifted. Lexagene applied to the TSXV to lift the trading suspension and, after satisfying all of the conditions of the TSXV, the suspension was lifted and trading in Lexagene’s common shares recommenced on October 30, 2013.

Mr. Cherry is the former CFO of Mexivada Mining Corp. (“**Mexivada**”). On October 29, 2010, the BCSC issued a CTO against Mexivada and its insiders for failure to file the Audited Financial Materials for the year ended June 30, 2010. The CTO was rescinded on November 30, 2010 and is no longer in effect. On October 31, 2011, the BCSC issued a CTO against Mexivada and its insiders for failure to file the Audited Financial Materials for the year ended June 30, 2011. The CTO was rescinded on November 24, 2011 and is no longer in effect. On October 31, 2012, the BCSC issued a CTO against Mexivada and its insiders for failure to file the Audited Financial Materials for the year ended June 30, 2012. The CTO is still in effect.

Mr. Cherry was a former director and officer of 1040426 BC Ltd., 1040433 BC Ltd., 1040440 BC Ltd., 1040442 BC Ltd. and Genix Pharmaceutical Corp., companies that are reporting issuers in the provinces of British Columbia and Alberta. On December 2, 2016, the BCSC issued a CTO against these companies, their directors, officers and insiders for failure to file the audited Financial Materials for the year ended July 31, 2016. The BCSC also issued deficiency

notices to each of 1040440 BC Ltd. and Genix Pharmaceutical Corp. for failure to file the audited Financial Materials for the first quarter ended October 31, 2016. On May 23, 2017, the BCSC issued revocation orders for each of 1040426 BC Ltd., 1040433 BC Ltd. and 1040442 BC Ltd. (now Zenith Exploration Inc.) and the CTOs were lifted. On September 20, 2017, the BCSC issued a revocation order for 1040440 BC Ltd. and the CTO was lifted. On April 13, 2018, the BCSC issued a revocation order for Genix Pharmaceutical Corp. and the CTO was lifted.

Mr. Cherry is the CFO of Block One Capital Inc. (“**Block One**”). On January 2, 2019, the BCSC issued a CTO against Block One and its insiders for failure to file its audited Financial Materials for the year ended August 31, 2018. On January 31, 2019, the BCSC issued a revocation order for Block One and the CTO was lifted.

Mr. Cherry is the CFO of NetCents Technology Inc. (“**NetCents**”). On March 1, 2019, the BCSC issued a CTO against NetCents and its insiders for failure to file the audited Financial Materials for the year ended October 31, 2018. On March 29, 2019, the BCSC issued a revocation order for NetCents and the CTO was lifted. On February 26, 2020, at the request of management, NetCents submitted an application to the BCSC for an MCTO for the postponement of filing its audited Financial Materials for the year ended October 31, 2019. On June 17, 2020, the BCSC issued a revocation order for NetCents and the MCTO was lifted.

### **APPOINTMENT OF AUDITOR**

Saturna Group LLP, Chartered Professional Accountants, (“**SGCA**”), of Suite 1250, 1066 West Hastings Street, Vancouver, British Columbia V6E 4G1, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be determined by the Board. SGCA was first appointed the auditor of the Company on May 2, 2012.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

#### **The Audit Committee’s Charter**

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule “A”.

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

The members of the Audit Committee are Arif Merali, Ken Ralfs and John Vu. Mr. Merali was the CEO of the Company until his resignation on April 20, 2021 and is not considered independent. Messrs. Vu and Ralfs are not executive officers of the Company and are therefore considered independent. Mr. Vu resigned as a director of the Company on April 19, 2021 and was replaced on the Audit Committee by Christopher Cherry.

All members are considered to be financially literate and are independent directors as all members are not executive officers of the Company.

A member of the Audit Committee is considered 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.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a member’s independent judgment.

None of the members of the Audit Committee were, during the most recently completed financial year, an officer or employee of the Company or any of its subsidiaries, except for Arif Merali, who served as an executive officer of the Company. None of the members of the Audit Committee are or have been indebted to the Company or any of their respective subsidiaries nor had any interest in any material transaction involving the Company or its subsidiaries or was an executive officer of the Company and also served as a director or member of the compensation committee of

another issuer, one of whose executive officers served as a director of the Company, except for Arif Merali who was an executive officer of the Company.

The mandate of the Audit Committee is to review and make recommendations to the Board concerning the appointment of executive officers of the Company and the hiring, compensation, benefit and termination of senior executive officers and all other key employees of the Company.

### **Relevant Education and Experience**

Arif Merali is a businessman based in Vancouver, BC. He was a Registered Representative with Canaccord Capital from 1999 to 2001. In addition, he has served as a director and/or officer of public companies listed on the TSX Venture Exchange and the CSE.

**Ken Ralfs** is a retired stockbroker and has been a director of various TSX Venture Exchange and Canadian Securities Exchange listed companies.

**John Vu** has over 11 years of international corporate finance, management and public market expertise. He obtained a bachelor's degree in Biological Sciences in 2000 from the University of California at Irvine and a juris doctorate in 2008 from the Trinity Law School. After passing the California Bar exam in 2009, John Vu, became corporate counsel of a large banking company after which he was employed by several publicly traded companies as Chief Legal Counsel. His expertise as an international commercial banking attorney led him to accept several board directorships with primary responsibilities of reviewing hundreds of investment opportunities primarily in the cannabis industry and banking industries and in procuring funding for accepted projects. John Vu co-founded, owns, and operates several successful businesses and continues to serve as a board member for several companies.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) 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 Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### **Pre-Approval Policies and Procedures**

All services to be performed by the independent auditor of the Company must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is



compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provided by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

### External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by SGCA for the financial year ended February 28, 2021 to the Company to ensure auditor independence. Fees billed for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Billed by Auditor for the Financial Year Ended February 28, 2021	Fees Billed by Auditor for the Financial Year Ended February 29, 2020
Audit Fees <sup>(1)</sup>	\$11,000	\$8,500
Audit-Related Fees <sup>(2)</sup>	\$Nil	\$Nil
Tax Fees <sup>(3)</sup>	\$800	\$750
All Other Fees <sup>(4)</sup>	\$Nil	\$Nil
<b>TOTAL:</b>	<b>\$11,800</b>	<b>\$9,250</b>

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

### Venture Issuer Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the financial year ended February 28, 2021. This exemption exempts a "venture issuer" from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument, as would otherwise be required by NI 52-110.

## CORPORATE GOVERNANCE

National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101") requires issuers to disclose their corporate governance practices and National Policy 58-201 - Corporate Governance Guidelines ("NP 58-201") provides guidance on corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the company's shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

## Board of 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 Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Company’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company’s Board requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company’s Board is responsible for monitoring the Company’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The independent members of the Board are Ken Ralfs, Christopher Cherry and Arif Merali. The non-independent member of the Board is Alnoor Nathoo, the Chairman of the Board and Interim CEO of the Company.

## Directorships

The following directors of the Company are also directors of other reporting issuers as stated:

Name of Director	Name of Reporting Issuer	Market
Alnoor Nathoo	CleanGo Innovations Inc. (formerly Softlab9 Technologies Inc.)	CSE
Arif Merali	True North Gems Inc.	TSXV
	Uniserve Communications Corp.	TSXV
Ken Ralfs	True North Gems Inc.	TSXV
	Columbus Energy Limited	TSXV
	Razore Rock Resources Inc.	CSE
	King Global Ventures Inc.	TSXV
	AuQ Gold Mining Inc.	TSXV
	Lightspeed Discoveries Inc.	TSXV NEX
Christopher P. Cherry	Lithium South Development Corporation	TSXV, OTCBB
	ESG Global Impact Capital Inc.	TSXV
	Lynx Global Digital Finance Corporation (formerly CannaOne Technologies Inc.)	CSE
	Lightspeed Discoveries Inc.	TSXV, NEX
	Clydesdale Resources Inc.	TSXV, NEX
	Australian Goldfields Limited (formerly Graphite Energy Corp.)	CSE
	Gold Port Corporation	CSE
	Harvest Gold Corporation	TSXV
	Icanic Brands Company Inc.	CSE
	Petrichor Energy Inc.	TSXV, OTCBB
	American Biofuels Inc.	NEX
	VPN Technologies Inc.	CSE

Name of Director	Name of Reporting Issuer	Market
	Treatment.com International Inc.	CSE

### **Orientation and Continuing Education**

Due to the Company's small size and the fact that the Company recruits only directors with public company experience, the Company does not currently have a formal orientation program. However, existing members of the Board will provide any new director with a review of a director's fiduciary duties and the Company's expectations of its directors in terms of time and effort, as well as the Company's business, strategic plans, management issues, and corporate governance policies.

In terms of continuing education, directors are encouraged to keep themselves current with industry trends and changes in legislation by liaising with management and the Company's counsel, attending industry-related events and other educational seminars. The cost of continuing education activities will be borne by the Company.

### **Ethical Business Conduct**

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current size of the Company's operations, and the number of officers and consultants, allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders 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. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### **Other Board Committees**

The Board has no other committees other than the Audit Committee.

### **Assessments**

Members of the Board are expected to continually evaluate the effectiveness of the Board, its committees and fellow directors by considering the accomplishment, or lack thereof, of the Company's goals.

### **Compensation Discussion and Analysis**

The Board has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Board receives independent competitive market information on compensation levels for executives.

The compensation for executives includes four components: base consulting fees, bonus (if applicable), stock options and perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

### **Philosophy and Objectives**

The Company's compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (a) attracting and retaining talented, qualified and effective executives, (b) motivating the short and long-term performance of these executives; and (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof, employs its stock option plan.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

For the purpose of this Statement of Executive Compensation:

**"company"** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

**"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 for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

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

**"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 for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

**"NEO"** or **"named executive officer"** means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

“**plan**” includes any plans, 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; and

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

#### Director and NEO Compensation, excluding Compensation Securities

During the financial year-ended February 28, 2021, based on the definition above, the NEOs of the Company were: Arif Merali (former CEO, Corporate Secretary and director) and Geoffrey Balderson (CFO). The directors of the Company who were not also NEOs during the financial year-ended February 28, 2021 were John Vu and Kenneth Ralfs.

During the financial year-ended February 29, 2020, based on the definition above, the NEOs of the Company were: Glen Macdonald (former CEO, Corporate Secretary and director) and Glen Indra (former CFO, and director). The directors of the Company who were not also NEOs during the financial year-ended February 29, 2020 were Eugene Beukman (former director) and Kenneth Ralfs.

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended February 28, 2021 and February 29, 2020. 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 (\$)
<b>Arif Merali</b> <sup>(1)(7)</sup> <i>Former Interim CEO, Corporate Secretary and Director</i>	2021	Nil	Nil	Nil	Nil	28,900	28,900
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Geoffrey Balderson</b> <sup>(2)</sup> <i>CFO</i>	2021	15,000	Nil	Nil	Nil	28,900	\$43,909
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Kenneth Ralfs</b> <sup>(3)(7)</sup> <i>Director</i>	2021	Nil	Nil	Nil	Nil	28,900	28,900
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>John Vu</b> <sup>(4)(7)</sup> <i>Director</i>	2021	Nil	Nil	Nil	Nil	28,900	28,900
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Glen Macdonald</b> <sup>(5)</sup> <i>Former President, CEO, CFO, Corporate Secretary and Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Eugene Beukman</b> <sup>(6)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Merali was appointed Interim CEO and Corporate Secretary on May 29, 2020 and resigned April 20, 2021.
- (2) Mr. Balderson was appointed CFO on May 25, 2020.
- (3) Mr. Ralfs has been a director of the Company since November 12, 2013.
- (4) Mr. Vu was a director from May 29, 2020 to April 19, 2021.
- (5) Mr. Macdonald was President, CEO, CFO, Corporate Secretary and a director of the Company from February 28, 2019 to May 25, 2020 and was CEO and Corporate Secretary from May 25, 2020 to May 29, 2020.
- (6) Mr. Beukman was a director of the Company from July 17, 2019 to May 22, 2020.

(7) Member of the Audit Committee

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the financial years ended February 28, 2021 and February 29, 2020.

The Company has a stock option plan for the granting of incentive stock options to the directors, officers, employees and consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders. See “*Stock Option Plans and Other Incentive Plans*” below.

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation has been accomplished through the issuance of founder’s shares and the Company’s stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Given the evolving nature of the Company’s business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

### **Stock Option and Other Incentive Plans**

Effective September 30, 2021, the Company adopted two Plans, a 10% Rolling Stock Option Plan (the “**Stock Option Plan**”) and a 10% Rolling Restricted Share Unit Plan (the “**RSU Plan**”) to be compliant with Canadian Securities Exchange policy, replacing the Stock Option Plan adopted December 20, 2010, particulars of which new Plans are set out below.

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

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 materials terms of the Stock Option Plan and is qualified in its entirety by the full text of 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 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 stock options; and (b) the date of grant of the stock 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.
- (d) All Options are exercisable only by the Optionee to whom they are granted and are not assignable or transferable.
- (e) The Board has the authority to:
  - (i) oversee the administration of the Plan in accordance with its terms;

- (ii) appoint or replace the Administrator from time to time;
  - (iii) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;
  - (iv) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
  - (v) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
  - (vi) 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;
  - (vii) do the following with respect to the granting of Options:
    - (1) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
    - (2) 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);
    - (3) subject to any necessary Regulatory Approvals, amend the terms of any Options;
    - (4) determine when Options shall be granted; and
    - (5) determine the number of Shares subject to each Option;
  - (viii) accelerate the vesting schedule of any Option previously granted; and
  - (ix) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.
- (f) 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:
- (i) materially decrease the rights or benefits accruing to an Option Holder; or
  - (ii) materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of this 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.
- (g) 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.
- (h) Any Option granted pursuant to a stock option plan previously adopted by the Board which was outstanding at the time the Plan came into effect is deemed to have been issued under this Share Option Plan and shall, as of the date this Share Option Plan came into effect, be governed by its terms and conditions.

A copy of the Stock Option Plan can be located on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

***10% "rolling" Restricted Share Unit Plan (Share-Based Awards)***

The RSU Plan provides that the maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, less any Common Shares reserved for issuance under all other share compensation arrangements, subject to adjustments as provided in the RSU Plan. The RSU Plan is a "rolling plan" and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be available for issuance pursuant to the RSU Plan.

*Nature and Administration of the RSU Plan*

All Directors, Officers, Consultants and Employees (as defined in the RSU Plan) of the Company and its related entities ("**Eligible Persons**") are eligible to participate in the RSU Plan (as "**Participants**"), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee (the "**Board**") can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account (an "**Account**") maintained for each Participant on the books of the Company as of the award date. The number of RSUs to be credited to each Participant's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

RSUs and all other rights, benefits or interests in the RSU Plan are not transferable or assignable otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of the Participant only by the Participant and after death only by the Participant's legal representative.

*Credit for Dividends*

A Participant's Account will be credited with additional RSUs (the "**Dividend RSUs**") as of each dividend payment date in respect of which cash dividends are paid on Common Shares. The number of Dividend RSUs credited to a Participant's Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had he or she been holding such number of Common Shares equal to the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Common Shares and the market price of the Common Shares on the payment date. Note that the Company is not obligated to pay dividends on Common Shares.

*Resignation, Termination, Leave of Absence or Death*

Generally, if a Participant's employment or service is terminated, or if the Participant resigns from employment with the Company, then all RSUs held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service or employment.

In the event a Participant is terminated by reason of termination by the Company other than for cause or the Participant's death, the Participant's unvested RSUs shall vest automatically as of such date. In the event the termination of the Participant's services by reason of voluntary resignation, only the Participant's unvested RSUs shall terminate automatically as of such date.

*Change of Control*

In the event of a Change of Control, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event (as defined in the RSU Plan) or to obtain the advantage of holding the underlying Common Shares



during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation. The determination of the Board in respect of any such Change of Control Event shall for the purposes of this RSU Plan be final, conclusive and binding.

#### *Adjustments*

In the event there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Canadian Securities Exchange where necessary, appropriate substitution or adjustment in (i) the number or kind of Common Shares or other securities reserved for issuance pursuant to the RSU Plan, and (ii) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the RSU Plan.

#### *Vesting*

Each award of RSUs vests on the date(s) (the “**Vesting Date**”) specified by the Board on the award date, and reflected in the applicable RSU agreement certificate.

#### *Limitations under the RSU Plan*

The maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, less any Common Shares reserved for issuance under all other share compensation arrangements, subject to adjustments as provided in the RSU Plan.

A copy of the RSU Plan can be located on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Compensation Securities Granted to Directors and NEOs**

The following table sets forth all compensation securities granted or issued to each Director and NEO by the Company or one of its subsidiaries during the financial year ended February 28, 2021 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

<b>Compensation Securities</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, and percentage of class<sup>(1)</sup></b>	<b>Date<sup>(2)</sup> of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end<sup>(2)</sup> (\$)</b>	<b>Expiry date<sup>(3)</sup></b>
<b>Arif Merali<sup>(4)</sup></b> <i>Interim CEO, Corporate Secretary and Director</i>	Stock Options	500,000 7.69%	2020-12-22	\$0.06	\$0.06	\$0.1750	2022-12-22
<b>Geoffrey Balderson</b> <i>CFO</i>	Stock Options	500,000 7.69%	2020-12-22	\$0.06	\$0.06	\$0.1750	2022-12-22
<b>Ken Ralfs</b> <i>Director</i>	Stock Options	500,000 7.69%	2020-12-22	\$0.06	\$0.06	\$0.1750	2022-12-22

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date <sup>(2)</sup> of issue or grant	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 <sup>(2)</sup> (\$)	Expiry date <sup>(3)</sup>
<b>John Vu</b> <sup>(5)</sup> <i>Director</i>	Stock Options	500,000 7.69%	2020-12-22	\$0.06	\$0.06	\$0.1750	2022-12-22

**Notes**

- (1) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Company outstanding as of February 28, 2021.
- (2) Closing price of the Issuer's common shares as at February 28, 2021.
- (3) Date format is YYYY-MM-DD.
- (4) Mr. Merali resigned as Interim CEO and Corporate Secretary on April 20, 2020.
- (5) Mr. Vu resigned as a director on April 19, 2021.

**Compensation Securities Exercised by Directors and NEOs**

There were no compensation securities exercised by any of the NEOs or directors of the Company during the financial year-ended February 28, 2021.

**Employment, Consulting and Management Agreements**

The Company has entered into a Consulting Agreement with Alnoor Nathoo, particulars of which are set out below. Other than as set out below, the Company has not entered into any agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or NEO.

***Alnoor Nathoo Consulting Agreement***

The Company entered into a Consulting Agreement dated April 1, 2021 with Alnoor Nathoo pursuant to which Mr. Nathoo agreed to act as an officer (Executive Chairman) and a director of the Company at an annual salary of \$120,000 payable in twelve monthly instalments, plus an annual bonus up to eight (8%) percent of the base retainer, payable quarterly, subject to a performance review by the Board. Mr. Nathoo will also be entitled to a cash bonus not to exceed ten percent (10%) based on the portfolio performance of the Company and at the discretion of the Board.

Pursuant to the Agreement, Mr. Nathoo is responsible for directing the executive team in establishing the vision, business model, corporate and investment portfolio road map, as well as planning and budget allocation.

The Agreement contains non-disclosure, confidentiality, non-solicitation and non-compete provisions.

The term of the Agreement is to December 31, 2024 and may be terminated by either party upon fifteen (15) days' notice.

**Pension Plan Benefits**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the stock option plan (the “Plan”) which was previously approved by the Board and the shareholders of the Company. The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options may be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

### Equity Compensation Plan Information

The following table sets out equity compensation plan information as at the financial year ended February 28, 2021.

Plan Category	Number of Securities to be issued upon exercise of Outstanding Options <sup>(1)</sup>	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities remaining available for future issuance under Equity Compensation Plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders - (the Share Option Plan)	6,500,000	\$0.06	1,411,599
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>TOTAL:</b>	<b>6,500,000</b>		<b>1,411,599</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company’s last completed financial year or as at the date of this Circular, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the common shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since March 1, 2020 (being the commencement of the Company’s last completed financial year), or has any interest in any material transaction in the current year other than as set out herein.

## MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no management functions of the Company are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 10% Rolling Stock Option Plan and 10% Restricted Share Unit Plan (the “Plans”)

Effective September 30, 2021, the Company adopted two new Plans, a 10% Rolling Stock Option Plan, (the “**Stock Option Plan**”) and a 10% Rolling Restricted Share Unit Plan (the “**RSU Plan**”) to be compliant with Canadian Securities Exchange policy, replacing the previous Stock Option Plan adopted by the Company effective December 20, 2010 (the “Previous Plan”). As at February 28, 2021, there were 6,500,000 Options issued and outstanding and 1,411,599 options available for grant under Stock Option Plan. No Restricted Share Units have been granted under the RSU Plan. For a description of the material terms of each of the Plans, see “*Executive Compensation – Stock Options and Other Incentive Plans*” above.

A copy of the Plans will be available for inspection at the Meeting.

### Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on an ordinary resolution to approve the Plans, with or without variation, as follows:

**“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT** the Stock Option Plan (the “**Stock Option Plan**”) and the Restricted Share Unit Plan (the “**RSU Plan**”), dated September 30, 2021, as more particularly described in the Information Circular of the Company dated November 8, 2021, be ratified and approved for continuation until the next annual meeting of shareholders.”

### The Board recommends that shareholders vote in favour of the continuation of the Plans.

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

## ADDITIONAL INFORMATION

The financial statements for the years ended February 28, 2021 and February 29, 2020, the report of the auditor thereon and the related management discussion and analysis were filed on [www.sedar.com](http://www.sedar.com) and are incorporated by reference into, and form an integral part of, this Circular.

A copy of the financial statements incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at Suite 1000, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, telephone: (604) 602-0001, or are available through the internet at [www.sedar.com](http://www.sedar.com).

## OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of this Circular.

The contents of this Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia as at November 8, 2021.

### BY ORDER OF THE BOARD

*Signed: “Alnoor Nathoo”*

**Alnoor Nathoo**  
**Chairman and Interim Chief Executive Officer**

## Schedule "A"

### AUDIT COMMITTEE CHARTER

#### **I. Mandate and Purpose of the Committee**

The Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of Vinergy Cannabis Capital Inc. (the "**Company**") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

#### **II. Authority**

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

#### **III. Composition and Expertise**

The Committee shall be composed of a minimum of three members, each whom is a director of the Company. The Committee shall be comprised of members, a majority of whom are not officers, employees or Control Persons (as such term is defined in the policies of the TSX Venture Exchange) of the Company. Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### **IV. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor. A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **V. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

#### **VI. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **VII. Duties and Responsibilities**

##### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied 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, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) if deemed appropriate by the Committee, engaging the

Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;

- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) **Auditor**

The Committee is responsible for recommending to the Board:

- (i) the 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
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's 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 Company's auditor regarding financial reporting.

(c) **Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;

- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and (ii) MD&A

disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board and, once approved by the Board, overseeing the implementation and ongoing monitoring of such policies.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) **Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and



- (iv) other matters for which directors face liability exposure.

### **VIII. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

### **IX. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

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

The Company has adopted a Code of Business Conduct and Ethics (the "Code") and a Whistle Blower Policy (the "Policy") (a copy of the Policy is attached as Appendix A to this Charter), which provides for the reporting and treatment of complaints and concerns. The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee in accordance with the provisions of the Code and the Policy and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

### **X. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

#### **Code of Business Conduct and Ethics**

### **XI. Purpose and Application**

The board of directors (the "**Board**") of Vinergy Cannabis Capital Inc. (the "**Company**") has adopted this Code of Business Conduct and Ethics (the "**Code**"), which is designed to provide guidance on the conduct of the Company's business in accordance with high ethical standards. As a public company, the Company must not only conduct, but must also be seen to conduct, its business in accordance with such high ethical standards.

The Code constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing. The provisions of this Code are mandatory.

The Code applies to every director, officer and employee of the Company and its direct or indirect subsidiaries (collectively "**Company Personnel**"). For the purposes of this Code, the term "**employee**" includes contractors and consultants who provide services to the Company or who act as the Company's representative in dealings with third parties.

Company Personnel are expected to:

- ▶ Understand the requirements of his or her position, including Company expectations and applicable governmental rules and regulations.
- ▶ Comply with this Code and all applicable laws, rules and regulations.
- ▶ Report any violation of this Code of which he or she becomes aware.
- ▶ Be accountable for complying with this Code.

## **XII. Compliance**

The Company expects all Company Personnel to adhere to high standards of personal and professional integrity and to avoid any conduct that might reflect unfavourably upon himself or herself, other Company Personnel or upon the Company. The Company's business goals are important and demanding, but these goals must be achieved honestly and ethically. Action or failure of action in contravention of the Code may be considered as unauthorized and outside the course of employment, and the Company may not indemnify Company Personnel for their costs that arise out of such conduct. Company Personnel who have executive or managerial responsibilities are expected to ensure that the provisions of this Code are communicated to Company Personnel reporting to him or her.

Company Personnel are expected to comply with all aspects of this Code and to support others in doing so. In the event that Company Personnel violate this Code, other policies and procedures or any of the laws and regulations that govern the Company's business, the Company will take immediate and appropriate action up to and including termination of employment or contract, claims for reimbursement of losses or damages, and reference to authorities. The Board is responsible for monitoring compliance with the Code. A waiver of this Code will be granted only in exceptional circumstances and will be granted by the Board only.

## **XIII. Compliance with Laws**

The Company and Company Personnel are expected to comply with all legal requirements applicable to the Company's business. Ignorance of the law is not a defense. Moreover, agreements or arrangements need not necessarily be in writing for contravention to be inferred from the conduct of the parties. If this Code does not cover a particular situation or if the application or interpretation of a local law is uncertain, or in circumstances where the proper course of ethical conduct is unclear, Company Personnel should seek the assistance of their supervisor who, if necessary, should seek competent local legal advice or, if necessary, the advice of the Company's counsel. If there is insufficient time to obtain such advice, Company Personnel should conduct themselves in a manner they would not hesitate to have fully publicly disclosed. Supervisors, on learning of any contravention of this Code, shall take appropriate corrective action.

## **XIV. Conflicts of Interest**

A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. Company Personnel must act honestly and in good faith, with a view to the best interests of the Company. Company Personnel must avoid all situations in which their personal interests conflict with or might appear to conflict with their duties to the Company.

The Company's basic policy is that, though Company Personnel are entitled to privacy in their personal affairs, Company Personnel have a duty to be free of those outside interests, activities and influences which might impair the exercise of their independent judgment, fiduciary responsibility, initiative or efficiency in acting for the Company, or expose Company Personnel to legal liability or public criticism.

If a director or officer of the Company has a material interest, either directly or indirectly, in any transaction or agreement that the Company proposes to enter into, such director or officer shall comply with the applicable laws, rules and policies which govern "conflicts of interest" in connection with such transaction or agreement. In addition, such director or officer shall disclose in writing the nature and extent of such interest in advance of any related Board or committee meeting and shall recuse himself or herself from any meeting at which the matter is discussed.

A director or officer will be deemed to have a material interest in any transaction or agreement which the Company proposes to enter into if such transaction or agreement is with an entity in which the director or officer has a material financial interest (as defined below) or with which the director or officer has a "material relationship". A material relationship is a relationship which could be reasonably expected to interfere with the exercise of an individual's independent judgement and will be presumed to exist in the situations described in Section 1.4 of NI 52-110 – *Audit Committees* as they relate to the other entity, including where the individual is an employee or executive officer of the other entity with which the Company proposes to transact.

Other potential conflicts of interest are so varied that it is impracticable to establish universal criteria in this Code as to what constitutes a prohibited conflict of interest. Set forth below are examples of the types of situations which could indicate a conflict of interest:

- ▶ **Financial Interest:** Company Personnel and their families (including spouse, children or spouse equivalent residing together) shall not own, control or hold a material financial interest in any business entity that does or seeks to do business with, or is in competition with the Company, unless prior written approval has been obtained from the Board of Directors in the case of directors or officers of the Company, or from the President and CEO in the case of all other Company Personnel, which approval shall only be given if it will not result in a detriment to the Company. A material financial interest will be presumed where ownership is in excess of 5% of the entity.
  
- ▶ **Outside Activities:** Company Personnel must ensure that any outside business or activity does not present a real or perceived conflict with the interests of the Company.
  
- ▶ **Outside Directorships:** Outside directorships are permitted with the approval of the Board in the case of officers, and with the approval of the President and CEO in the case of other employees. Any officer or employee accepting an approved outside directorship must ensure that such activity does not deprive the Company of the time and attention required of such officer or employee to perform his or her duties properly, and must be aware of any potential for conflicts with the interests of the Company.

## **XV. Fair Dealing**

All customers, suppliers and independent contractors purchasing or furnishing goods and services must be dealt with fairly. Decisions to hire a subcontractor or source materials from a particular vendor must be made on the basis of objective criteria such as quality, reliability, technical experience, price, delivery, service and maintenance of adequate sources of supply.

Company Personnel shall not take unfair advantage of anyone, including the Company's security holders, customers, suppliers, competitors and employees, through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

## **XVI. Gifts and Entertainment**

Company Personnel must be prudent in offering or accepting gifts (including tickets to sporting, recreational or other events) to or from a person or entity with which the Company does or seeks to do business.

Modest gifts, reasonable entertainment and other courtesies may be extended by appropriate Company Personnel to persons or entities doing business or otherwise having dealings with the Company if such activity can be justified to further the

Company's best interests. No gift or entertainment should be of such value as to constitute a real personal enrichment of the recipient. Public scrutiny of the gift, entertainment or courtesy should not be embarrassing to or reflect unfavourably upon the Company or the recipient.

Company Personnel are prohibited from soliciting or receiving any gift, loan, reward or benefit from a supplier or other individual or entity that does or seeks to do business with, or is a competitor of, the Company. This prohibition does not extend to accepting modest gifts, favours or entertainment provided that no such gift, favour or entertainment is of such nature as might affect, or reasonably be thought by others to affect, the person's judgment or conduct in matters involving the Company.

## **XVII. Dealings with Officials**

All dealings between Company Personnel and public or private officials must be conducted in a manner that will not compromise the integrity, or place in question, the reputation of the Company or such officials. No unlawful or otherwise improper payment or gift is to be made or offered with a view to assisting the Company in obtaining or retaining business, affecting the enactment or enforcement of any laws, or otherwise to obtain favours.

No employee or officer may offer improper payments when acting on behalf of the Company. Company funds must not be used to make payment or provide anything of value, directly or indirectly (through agents or otherwise), in money, property, services or any other form to a government official, political party or candidate for political office in consideration for the recipient agreeing to:

- ▶ exert influence to assist the Company in obtaining or retaining business or securing any advantage; or
- ▶ commit any act in violation of a lawful duty or otherwise influence an official act. If Company Personnel are in doubt about the legitimacy of a payment, such situations should be immediately referred to the Chair of the Audit Committee.

## **XVIII. Community and Local Public Relations**

Community and local public relations shall always be conducted with integrity and sensitivity to others with the intent to build an image that will facilitate the Company's ability to achieve its goals while providing cooperation and support to its neighbours and host governments, as appropriate. Where appropriate, the Company may provide physical and/or financial assistance, on a local basis, to develop a cooperative relationship with its neighbours by active involvement in public works, education, medical and health services and other non-political matters where the Company's resources can compliment local operations and activities.

## **XIX. Confidential Information**

Confidential information is information that is not known to the general public and includes technical, commercial and financial information and all intellectual property of the Company.

Company Personnel must protect the confidentiality of information concerning the Company and its business activities, as well as that of companies having business dealings with the Company. Confidential information may not be given or released without proper authority and appropriate protection to anyone not employed by the Company or to Company Personnel who have no need for such information.

Company Personnel are prohibited from trading or encouraging others to trade in the securities of the Company where the person trading is in possession of material nonpublic information.

## **XX. Use of Corporate Assets and Opportunities**

All Company Personnel are responsible for protecting the Company's assets against loss from unauthorized or improper use or disposition:

- ▶ **Use of Resources:** Resources, including Company time, materials, supplies, equipment, information, electronic mail and computer systems, are generally only to be used for Company purposes.
- ▶ **Use of Internet and Email:** Company computer resources and networks are provided for Company-related business purposes. Excessive personal use is inappropriate. Use of Company computer resources to view, retrieve or send sexually-related or pornographic messages or material, violent or hate-related messages or material, bigoted, racist or other offensive messages or other messages or material related to illegal activities is strictly prohibited.

- ▶ **Use of Company Name:** Company Personnel must not use their employment status to obtain personal gain from those doing or seeking to do business with the Company. Company Personnel may not use the Company's name or purchasing power to obtain personal discounts or rebates unless the discounts are made available to all Company Personnel.
- ▶ **Patents and Inventions:** Inventions, discoveries and patented or copyright material, made or developed by Company Personnel in the course of, and relating to, their employment with the Company are the property of the Company unless a written release is obtained or covered by contract.
- ▶ **Corporate Opportunities:** Company Personnel may not appropriate for themselves Company property or a business opportunity that has arisen through the use of Company property, information or by virtue of their position with the Company.

## **XXI. Health, Safety and Environment**

The Company is committed to providing a safe and healthy working environment and protecting the public interest with standards and programs that meet or exceed industry standards and applicable government codes, standards and regulations in all jurisdictions in which it does business. All Company operations are to be conducted in a manner that protects the health and safety of Company Personnel and people in the communities where the Company operates. Employees must be aware of the safety issues and policies that affect their job, other employees and the community in general. Managers, upon learning of any circumstance affecting the health and safety of the workplace or the community, must act immediately to address the situation. Employees must immediately advise their managers of any workplace injury or any circumstance presenting a dangerous situation to them, other co-workers or the community in general, so that timely corrective action can be taken.

The Company is committed to sound environmental management. It is the intent of the Company to conduct itself in partnership with the environment and community at large as a responsible and caring corporate citizen. The Company is committed to managing all phases of its business in a manner that minimizes any adverse effects of its operations on the environment.

## **XXII. Employment Practices**

The Company is committed to a workplace environment where Company Personnel are treated with dignity, fairness and respect. All Company Personnel have the right to work in an atmosphere that provides equal employment opportunities and is free of discriminatory practices and illegal harassment. The Company is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action and will not tolerate discrimination by its employees and agents.

The Company will not tolerate harassment of its employees, customers or suppliers in any form.

## **XXIII. Books and Records**

The Company's books, records and accounts are to reflect accurately, fairly and in reasonable detail, all transactions in accordance with the highest standards of integrity and applicable accounting standards.

Appropriate records must be kept of all transactions and there are to be no cash funds, bank accounts, investments or other assets, which are either not recorded or inadequately recorded on the books. No payment is to be approved without adequate supporting documentation.

Business documents and records (voice, paper and electronic) are to be retained in accordance with applicable law and the Company's record retention practices. Individuals and entities with whom the Company deals may request that commissions, service fees and other amounts be remitted to third persons or bank accounts in third countries. Such payments may only be made if: (i) the amount payable does not arise from artificial additions to normal pricing; (ii) payment is authorized in writing by the individual or entity earning the commission, fee or other amounts; (iii) payment is made to the same individual or entity to which it is owed or to an affiliate under common ownership, and (iv) payment will not violate applicable law.

Frank disclosure is to be made to all reasonable enquiries of the Company's auditors and legal advisors.

**XXIV. Reporting Contraventions of the Code**

Company Personnel are responsible for being aware of, understanding and complying with this Code. Company Personnel must promptly report any problems or concerns and any actual or potential violation of this Code. To do otherwise, will be viewed as condoning a violation of this Code.

There shall be no reprisal or other action taken against any Company Personnel who, in good faith, bring forward concerns about actual or potential violations of laws or the Code. Anyone engaging in any form of retaliatory conduct will be subject to disciplinary action, which may include termination.

Problems and concerns, including any actual or potential violation of this Code, should be reported immediately in accordance with the Company's Whistleblower Policy. Reports may be made anonymously.

**XXV. Consequences of Violating this Code**

Failure to comply with this Code will be considered by this Company to be a very serious matter. Depending on the nature and severity of the violation, disciplinary action may be taken by the Company, up to and including termination. In addition, the Company may make claims for reimbursement of losses or damages and may refer this matter to the authorities. Anyone who fails to report a violation upon discovery or otherwise condones the violation of this Code may also be subject to disciplinary action.