

**MANAGEMENT INFORMATION CIRCULAR**

**CAPTOR CAPITAL CORP.**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 18, 2020**

**November 12, 2020**

**CAPTOR CAPITAL CORP.  
4 KING STREET WEST  
SUITE 401  
TORONTO, ONTARIO M5H 1B6**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual meeting of the shareholders (the "**Meeting**") of Captor Capital Corp. (the "**Corporation**") will be held at 4 King Street West, Suite 401, Toronto, Ontario M5H 1B6 on, the 18<sup>th</sup> day of December, 2020 at 10:00 a.m. (Toronto time) for the following purposes:

- (a) to fix the number of directors at five (5);
- (b) to elect directors for the ensuing year;
- (c) to appoint auditors and to authorize the directors to fix their remuneration;
- (d) To consider, and if deemed appropriate, pass with or without variation, a special resolution authorizing the board of directors of the Corporation to consolidate the common shares of the Corporation on the basis of one (1) new common share for up to ten (10) old common shares and amend the Corporation's Articles accordingly; and
- (e) to transact such further or other business as may properly come before the Meeting or any adjournment thereof.

This notice is accompanied by a form of proxy and a management information circular.

The nature of the business to be transacted at the Meeting is described in further detail in the Information Circular under the section "Matters to be Acted Upon" and at [www.capitaltransferagency.ca](http://www.capitaltransferagency.ca). The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting is November 6, 2020 (the "**Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

**Voting**

**All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy.**

**FORM OF PROXY FOR REGISTERED SHAREHOLDERS**

Completed proxies, for Registered Shareholders, must be returned to Capital Transfer, the Corporation's transfer agent, (i) by mail to Capital Transfer, Capital Transfer Agency 390 Bay Street, Suite 920, Toronto, Ontario M5H 2Y2; or (ii) by facsimile at (416) 350-5008; or (iii) via email to [info@capitaltransferagency.com](mailto:info@capitaltransferagency.com); or (iv) by internet at <https://shareholderaccountingsoftware.com/cap/pxlogin>; or by 10:00 am (Eastern time) December 16, 2020, being the date that is not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof (the "**Proxy Deadline**").

**VOTING INSTRUCTION FORMS FOR NON-REGISTERED SHAREHOLDERS**

Non-Registered Shareholders, who have not waived the right to receive the Proxy-Related Materials will either: (i) receive a voting instruction form; or (ii) be given a proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed.

Non-Registered Shareholders should carefully follow the instructions that accompanying the voting instruction form or the proxy, including those indicating when and where the voting instruction form or the proxy is to be delivered. Voting instructions must be deposited by the Proxy Deadline, however your voting instruction form may provide for an earlier date in order to process your votes in a timely manner. Voting instruction forms permit the completion of the voting instruction form online or by telephone. A Non-Registered Shareholder wishing to attend and vote at the Meeting in person should follow the corresponding instructions on the voting instruction form or, in the case of a proxy, strike out the names of the persons named in the proxy and insert the Non-Registered Shareholder's name in the space provided.

**DATED** this 12th day of November, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*John Zorbas*"  
John Zorbas, Chief Executive Officer

DATED at Toronto, Ontario as of the 12th day of November, 2020.

BY ORDER OF THE BOARD

(signed) *John Zorbas*  
John Zorbas  
President

# **CAPTOR CAPITAL CORP .**

## **MANAGEMENT INFORMATION CIRCULAR**

as at **November 12, 2020**

### **GENERAL INFORMATION RESPECTING THE MEETING**

This **Information Circular** is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the annual general meeting (the "**Meeting**") of the **Shareholders** of Common Shares of the Corporation to be held on the 18<sup>th</sup> day of December, 2020, at 10:00 a.m. (Toronto time) at 4 King Street West, Suite 401, Toronto, Ontario M5H 1B6 and at any adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting.

In this Information Circular, references to "the Corporation", "we" and "our" refer to Captor Capital Corp. and "Common Shares" means common shares without par value in the capital of the Corporation. "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.

### **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 Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders held by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### **Appointment of Proxy Holders**

The individuals named in the accompanying form of proxy (the "**Proxy**") are officers of the Corporation. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or Corporation 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 (and striking out the names now designated) or by completing and delivering another suitable form of proxy.** For instructions regarding the delivery of instruments of proxy, see below under the heading "Registered Shareholders".

#### **Voting of Proxies**

**COMMON SHARES REPRESENTED BY PROPERLY EXECUTED PROXIES IN FAVOUR OF PERSONS DESIGNATED IN THE PRINTED PORTION OF THE ENCLOSED FORM OF PROXY WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS CIRCULAR OR WITHHELD FROM VOTING OR VOTED AGAINST IF SO INDICATED ON THE FORM OF PROXY.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, or other matters which may properly come before the Meeting. At the time of printing this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

Voting at the Meeting will be by a show of hands, and each proxyholder (representing a registered or unregistered shareholder) will have one (1) vote, unless a poll is required or requested, whereupon each such shareholder and proxyholder is entitled to one (1) vote for each Common Share held or represented, respectively. Each shareholder may instruct their proxyholder how to vote their Common Shares by completing the blanks on the

proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting when a poll is required or requested and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the proxy, the management designees, if named as proxyholder, will vote in favour of the matters set out therein.**

**The enclosed proxy confers discretionary authority upon the management designees, or other person named as proxyholder, with respect to amendments to or variations of matters identified in the notice of meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or any other matter which may come before the Meeting. If other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the Corporation.**

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**"), unless the motion requires a "**special resolution**" in which case a majority of 66 2/3% of the votes cast will be required.

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed Proxy and returning it to the Corporation's transfer agent, Capital Transfer Agency ("**Capital Transfer**"), 390 Bay Street, Suite 920, Toronto, Ontario M5H 2Y2; or (ii) by facsimile at (416) 350-5008; or (iii) via email to [info@capitaltransferagency.com](mailto:info@capitaltransferagency.com) or (iv) by internet at <https://shareholderaccountingsoftware.com/cap/pxlogin>; or (v) hand delivery to 390 Bay Street, Suite 920, Toronto, Ontario M5H 2Y2 not less than forty-eight (48) hours, excluding Saturdays, Sundays or statutory holidays in the Province of Ontario, before the time set for the holding of the Meeting or any adjournment(s) thereof.

### **Beneficial Shareholders**

**The information set forth in this section is of significant importance as many shareholders do not hold shares in their own name.**

**Only shareholders whose names appear on the records of the Corporation as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Corporation are non-registered shareholders ("**Beneficial Shareholders**") because the shares they own are not registered in their names, but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or clearing agency such as CDS Clearing & Depository Services Inc. (in each case, an "**Intermediary**"). If you purchased your Common Shares through a broker, you are likely a Beneficial Shareholder.

In accordance with securities law, the Corporation has distributed copies of the Meeting materials, being the notice of meeting, this Circular and the form of proxy. Intermediaries are required to forward the Meeting materials to Beneficial Shareholders who request copies and to seek their voting instructions in advance of the Meeting. Common Shares held by Intermediaries can only be voted in accordance with the instructions of the Beneficial Shareholder. The Intermediaries often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Intermediary in order that your Common Shares are voted at the Meeting.

There are two kinds of Beneficial Shareholders – those who object to their identity being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not (called "**NOBOs**" for Non-Objecting Beneficial Owners).

### Non-Objecting Beneficial Owners

The Corporation is relying on the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form ("**VIF**") from Capital Transfer. The VIF is to be completed and returned to Capital Transfer as set out in the instructions provided on the VIF. Capital Transfer will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive. These materials are being sent to both registered and non-registered owners of the shares. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address, and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) carrying out your voting instructions. Please return your VIF as specified in the request for voting instructions sent to you.

#### Objecting Beneficial Owners

The Corporation has elected to pay for the Meeting materials to be sent to OBOs. 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 form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of the proxy provided by the Corporation. The VIF will name the same persons as the Corporation's proxy to represent your shares at the Meeting. You have the right to appoint a person (who need not be a shareholder, and who can be yourself), other than any of the persons designated in the VIF, to represent your shares at the Meeting. To exercise this right, insert the name of the desired representative, who may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile, or provided to Broadridge by phone or over 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 shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend and vote your Common Shares at the Meeting.

#### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a 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 **Capital Transfer**, by fax at 416-350-5008; or by mail Capital Transfer, 390 Bay Street, Suite 920, Toronto, Ontario M5H 2Y2; or by email: [info@capitaltransferagency.com](mailto:info@capitaltransferagency.com); or hand delivery to 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, or in any other manner provided by law.

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

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

No person who has been a director or executive officer of the Corporation since the beginning of the last financial year and no associate or affiliate of any such director or executive officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Each holder of Common Shares of record at the close of business on November 6, 2020 (the "**Record Date**"), is entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy.

As of the Record Date, the Corporation had 38,733,438 issued and outstanding Common Shares. Each common share carries the right to one vote. The Common Shares are listed and posted for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "**CPTR**".

To the knowledge of the directors and senior officers of the Corporation, no person or Corporation beneficially owns, or controls or directs, directly or indirectly, 10% or more of any class of voting securities of the Corporation, on a non-diluted basis.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

"Named Executive" or "**NEO**" means each of the following individuals:

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

The Named Executives who are the subject of this Statement of Executive Compensation are Chief Executive Officer ("CEO") and President, John Zorbas; Chief Financial Officer, Jing Peng; Shawn Groshans, Head of Business Development; Dene Rogers, CEO of Captor Acquisitions Corp. and Oliver Summers, Director of Retail Operations of Captor Acquisitions Corp.

The Compensation Committee of the board of directors of the Corporation during the fiscal year ended March 31, 2020 was comprised of Henry Kloepper, Kyle Appleby and Bryan Reyhani. The compensation of the Corporation's Named Executives and directors was determined by the Corporation's board of directors as a whole, after having received recommendations from the Compensation Committee who have monitored the Corporation's compensation practices to ensure that the Corporation maintains its competitiveness and that it appropriately recognizes reward, growth and change within the organization, along with the Corporation's current state of development and financial position. Compensation of the Corporation's Named Executives and directors is reviewed by the Compensation Committee and the board of directors on an annual basis. In the event a Named Executive Officer may be entitled to a discretionary bonus, the Compensation Committee reviews that individual's performance, their contribution to the advancement of the Corporation's goals and objectives and the financial performance and position of the Corporation. The Compensation Committee makes bonus recommendations to the board of directors annually and the board, as a whole, makes decisions with respect to any discretionary bonuses. Named Executives are not permitted to participate in the discussion or vote in connection with their own compensation.

Compensation for Named Executives is composed of three components, namely, base salary, participation in the Corporation's Stock Option Plan, and non-equity incentives. When determining such compensation, the board of

directors has taken into consideration individual performance, level of expertise, responsibilities, length of service to the Corporation and contribution to the financial health of the Corporation.

The general compensation philosophy of the Corporation for executive officers is to provide a level of compensation that is fair and competitive within the marketplace, that will attract and retain individuals with the experience and qualifications critical to the success of the Corporation and the enhancement of shareholder value, and that will reward the performance of those executives whose actions have a direct and identifiable impact on the performance of the Corporation. From time to time, the Corporation grants incentive stock options as well as non-equity incentives as part of total compensation to its Named Executive Officers.

#### Base Salary

The base salaries paid to the Corporation's Named Executives are based upon the Corporation's assessment of the salaries required to attract and retain the calibre of executives it needs to achieve its desired growth and performance targets.

#### Stock Options

The Corporation's Stock Option Plan is intended to assist in attracting, retaining and motivating directors, officers, employees and service providers of the Corporation to closely align the personal interests of such directors, officers, employees and service providers with those of the shareholders by providing them with the opportunity, through options, to acquire Common Shares.

Decision to grant stock options is made by the board of directors and is done in compliance with the Stock Option Plan and the rules and policies of the CSE. When the board of directors of the Corporation considers granting stock options, the board will take into consideration (i) the relative contributions of the individuals who are eligible to receive options; and (ii) the availability of options for issuance, general market conditions, and the Corporation's recent share performance.

#### Non-Equity Incentives

Non-equity incentives are a variable element of the total compensation package, and though there is no formal plan in place at the current time and no non-equity incentive compensation (other than salary) was paid to Named Executives or directors of the Corporation during the fiscal year ended March 31, 2020.



## Summary Compensation Table

The following table sets forth all compensation for services rendered in all capacities to the Corporation for the fiscal years ended March 31, 2020 and March 31, 2019 in respect of the Named Executives of the Corporation. The Corporation had no other executive officers, or individuals acting in a similar capacity, whose total compensation during the fiscal year ended March 31, 2020 exceeded \$150,000.

Table of compensation excluding compensation securities							
Name and Principal Position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee of meeting fees (\$)	Value of perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
John Zorbas CEO and Director <sup>(1)</sup>	Mar 31/20	219,998	Nil	Nil	Nil	Nil	219,998
	Mar 31/19	219,996	880,000	Nil	Nil	Nil	1,099,996
	Mar. 31/18	219,996	Nil	Nil	Nil	Nil	219,996
Jing Peng, CFO <sup>(2)</sup>	Mar 31/20	18,000	Nil	Nil	Nil	Nil	18,000
	Mar 31/19	18,000	Nil	Nil	Nil	Nil	18,000
	Mar. 31/18	18,000	Nil	Nil	Nil	Nil	18,000
Shawn Groshans, Head of Business Development <sup>(3)</sup>	Mar 31/20	235,459	79,848	Nil	Nil	280,533	595,840
	Mar 31/19	Nil	Nil	Nil	Nil	Nil	Nil
	Mar. 31/18	Nil	Nil	Nil	Nil	Nil	Nil
Dene Rogers, CEO <sup>(4)</sup>	Mar 31/20	232,890	Nil	Nil	Nil	553,613	786,503
	Mar 31/19	Nil	Nil	Nil	Nil	Nil	Nil
	Mar. 31/18	Nil	Nil	Nil	Nil	Nil	Nil
Oliver Summers, Director of Retail Operations <sup>(5)</sup>	Mar 31/20	156,625	66,540	Nil	Nil	Nil	223,165
	Mar 31/19	Nil	Nil	Nil	Nil	Nil	Nil
	Mar. 31/18	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- 1) All compensation shown above for Mr. Zorbas' services were payable to Alegana Enterprises Ltd. ("Alegana"), a company wholly owned by John Zorbas through which Mr. Zorbas provides his services to the Corporation. The services of John Zorbas as CEO are provided through Alegana. Alegana receives consulting fees of \$220,000 a year in consideration for the services provided by John Zorbas under the terms of a written contract that runs for an indefinite term. The consulting fees paid to Alegana are for the function of the President which include, but are not limited to, managing the operations of the Corporation. Alegana may receive, at the sole discretion of the board of directors, a performance bonus of up to 400% of the annual consulting fee payable by the Corporation to Alegana. Included in accounts payable and accrued liabilities as at March 31, 2020 owing to Alegana was \$610,810 (March 31, 2019 - \$1,431,364). Upon termination of Alegana by the Corporation without cause or a termination following a change of control, the Corporation is obligated to pay Alegana: (a) 1.5 times Alegana's annual consulting fee; and (b) an amount equal to 1.5 times the amount of all bonuses John Zorbas received for the most recent calendar year ended prior to the termination date or 2 times the amount of Alegana's annual consulting fee should John Zorbas not have received a bonus for the most recent calendar year ended prior to the termination

date. Upon termination of Alegana under any other circumstances, the Corporation is not obligated to pay Alegana any penalty.

- 2) Mr. Jing Peng, the Chief Financial Officer (“CFO”), is a senior employee of MSSl. The management fees paid to MSSl relate to CFO function performed by Mr. Peng which includes the reporting of financial information and the safeguard of the Corporation’s assets. Included in accounts payable and accrued liabilities as at March 31, 2020 was \$2,978 (March 31, 2019 – \$2,930) owing to MSSl. The Corporation has no ongoing contractual obligation or commitment to MSSl.
- 3) Mr. Shawn Groshans was the Head of Business Development for Captor Acquisitions Corp., a wholly-owned subsidiary of Captor Capital Corp. Mr. Groshans resigned in February 2020. The amounts paid to Mr. Groshans were paid in United States dollars (“USD”) and were converted using a weighted average rate of USD\$1 to Cdn\$1.3308.
- 4) Mr. Dene Rogers was the CEO for Captor Acquisitions Corp., a wholly-owned subsidiary of Captor Capital Corp. Mr. Rogers resigned on March 31, 2020. The amounts paid to Mr. Rogers were paid in USD and were converted using a weighted average rate of USD\$1 to Cdn\$1.3308.
- 5) Mr. Oliver Summers is the Director of Retail Operations for Captor Acquisitions Corp., a wholly-owned subsidiary of Captor Capital Corp. The amounts paid to Mr. Summers were paid in USD and were converted using a weighted average rate of USD\$1 to Cdn\$1.3308.

<b>Name of Named Executive Officer</b>	<b>Number of Securities Underlying Unexercised Options<sup>(1)</sup></b>	<b>Option Exercise Price (CDN\$/Security)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-the-Money Options (CDN\$)</b>
John Zorbas <sup>(1)</sup>	250,000	\$6.00	August 8, 2020	Nil
Jing Peng	25,000	\$6.00	August 8, 2020	Nil
Shawn Groshans	Nil	Nil	Nil	Nil
Dene Rogers	Nil	Nil	Nil	Nil
Oliver Summers	Nil	Nil	Nil	Nil

<sup>(1)</sup> All stock options shown above for Mr. Zorbas have been granted to Alegana Enterprises Ltd. (“Alegana”), a company wholly owned by John Zorbas through which Mr. Zorbas provides his services to the Corporation.

#### **Incentive Plan Awards – Value Vested or Earned During the Year**

The following table provides information concerning the incentive award plans of the Corporation with respect to each Named Executive Officer during the fiscal year ended March 31, 2020. The only incentive award plan of the Corporation during fiscal 2020 was the Stock Option Plan.

<b>INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED MARCH 31, 2020</b>		
<b>Name of Executive Officer</b>	<b>Option-Based Awards – Value Vested During Fiscal 2020 (CDN\$)</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During Fiscal 2020 (CDN\$)</b>
John Zorbas	Nil	Nil
Jing Peng	Nil	Nil
Shawn Groshans	Nil	Nil
Dene Rogers	Nil	Nil
Oliver Summers	Nil	Nil

#### **Director Compensation Table**

<b>Name of Director</b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension Value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total compensation (\$)</b>
John Zorbas <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alex Dementev <sup>(2)</sup>	26,000	Nil	Nil	Nil	Nil	48,000	74,000
Henry Kloeppe	55,000	Nil	Nil	Nil	Nil	10,000	65,000
Kyle Appleby <sup>(3)</sup>	46,000	Nil	Nil	Nil	Nil	20,000	66,000
Bryan Reyhani	25,000	Nil	Nil	Nil	Nil	Nil	25,000
Mark Klein <sup>(4)</sup>	25,000	Nil	Nil	Nil	Nil	40,513	65,513

- 1) Mr. Zorbas is the CEO of the Corporation and received no separate compensation as a director. All compensation received by Mr. Zorbas is provided in the tables above
- 2) Mr. Dementev was a director of the Corporation and resigned on November 12, 2019. The consulting fees paid to Mr. Dementev related to his position as a director and consulting services performed by Mr. Dementev. Included in accounts payable and accrued liabilities as at March 31, 2020 was \$38,010 (March 31, 2019 – \$5,660) owing to Mr. Dementev. The Corporation has no ongoing contractual obligation or commitment to Mr. Dementev.
- 3) All fees paid to Mr. Appleby through CFO Advantage Inc., a corporation controlled by Mr. Appleby.
- 4) All fees paid to Mr. Klein through Roeedo Enterprises LLC., a corporation controlled by Mr. Klein.

## Securities authorized for issuance under equity compensation plans

Set out below is information as of March 31, 2020 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance. The only incentive award plan of the Corporation during fiscal 2020 was the Stock Option Plan.

### Equity Compensation Plan Information

	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights as at March 31, 2020</b> (a)	<b>Weighted average exercise price of outstanding options, warrants and rights as at March 31, 2020</b> (b)	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at March 31, 2020</b> (c)
Stock Option Plan	1,825,000	6.00	2,048,324

### Employment Contracts

The Corporation has a consulting agreement for an indefinite term with Alegana Enterprises Ltd. (“Alegana”), through which Mr. John Zorbas provides his services to the Corporation. Alegana is controlled by Mr. John Zorbas. The consulting fees paid to Alegana are for the services Mr. Zorbas provides as President, which includes, but is not limited to, managing the capital structure and current investment portfolio of the Corporation. In accordance with the consulting agreement, Alegana is to receive \$220,000 per year for the services provided to the Corporation by John Zorbas. Alegana may receive, at the sole discretion of the board of directors, a performance bonus of up to 400% of the annual consulting fee payable by the Corporation to Alegana. Upon termination of Alegana by the Corporation without cause or termination following a change of control, the Corporation is obligated to pay Alegana: (a) 1.5 times Alegana’s annual consulting fee; and (b) an amount equal to 1.5 times the amount of all bonuses John Zorbas received for the most recent calendar year ended prior to the termination date or 2 times the amount of Alegana’s annual consulting fee should John Zorbas not have received a bonus for the most recent calendar year ended prior to the termination date. Upon termination of Alegana under any other circumstances, the Corporation is not obligated to pay Alegana any penalty.

The Corporation does not have a written consulting agreement or employment agreement with any other Named Executive.

### Summary of Stock Option Plan

The shareholders of the Corporation approved the Corporation’s incentive stock option plan (the “Option Plan”) on June 26, 2007 and re-confirmed such approval on June 18, 2008, June 30, 2009, June 23, 2010, June 24, 2011, September 28, 2012, July 24, 2014, January 18, 2018 and August 3, 2018. The number of Common Shares reserved for issuance under the Option Plan may not exceed 10% of the total number of Common Shares issued and outstanding from time to time. As of March 31, 2020, an aggregate of 38,733,239 Common Shares were issued and outstanding. As at March 31, 2020, there were 1,825,000 stock options outstanding under the Option Plan and 2,048,324 stock options remained eligible for issuance under the Option Plan.

The purpose of the Option Plan is to attract, retain and motivate persons as key service providers to the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding five years.

Options may be granted under the Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The number of Common Shares reserved for issue to any one person pursuant to the Option Plan within any one-year period may not exceed 5% of the issued and outstanding Common Shares. The maximum number of Common Shares which may be reserved for issuance to insiders under the Option Plan, any other employee stock option plans or options for services is 10% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be issued to insiders under the Option Plan, together with any previously established or proposed share compensation arrangements, within any one -year period, is 10% of the aggregate number of issued and outstanding Common Shares. The maximum number of Common Shares which may be issued to any insider and his or her associates under the Option Plan, together with any previously established or proposed share compensation arrangements, within any one year period, is 5% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be granted to any consultant under the Option Plan, any other employee stock option plans or options for services, within any one year period, is 2% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The maximum number of Common Shares which may be granted to any “investor relations person” under the Option Plan, any other employee stock option plans or options for services, within any one year period, is 2% of the aggregate number of issued and outstanding Common Shares at the date of grant (on a non-diluted basis).

The exercise price of options issued may not be less than the market value of the Common Shares at the time the option is granted, subject to any discounts permitted by applicable legislative and regulatory requirements.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS TO THE CORPORATION**

No individual who is, or previously was, a director, executive officer, employee, proposed nominee as a director of the Corporation, or any of its subsidiaries, or any of their associates, is indebted to the Corporation or any subsidiary of the Corporation as of the date of this Circular, or has indebtedness owing to another entity that is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries, or was so indebted at any time since the beginning of the financial year of the Corporation ended March 31, 2020.

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

Except as otherwise disclosed herein and as set forth below, no informed person of the Corporation (within the meaning of applicable securities laws), no nominee for election as a director and no associate or affiliate thereof, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation’s last completed financial year, or in any proposed transaction, which has materially affected or would materially affect the Corporation or any of its subsidiaries.

#### **AUDIT COMMITTEE DISCLOSURE**

National Instrument 52-110 (“**NI 52-110**”) requires the Corporation to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Corporation’s audit committee is governed by an audit committee charter, the text of which is attached as Schedule “A” to this Information Circular.

## Composition of the Audit Committee

The Corporation's audit committee is comprised of Henry Kloepper, Kyle Appleby and Bryan Reyhani. All of the audit committee directors are considered to be "independent" within the mean of NI 52-110.

In order for directors to be appointed to the audit committee, they must demonstrate that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. In this regard, the board has determined that each member of the audit committee meets this criteria as each of Messrs. Kloepper, Appleby and Reyhani are familiar with accounting principles, financial statements and financial reporting requirements as a result of their experience and education as set forth below.

### **Kyle Appleby**

*Director* – Age 46 – Mr. Appleby is a member of the Chartered Public Accountants of Canada and Ontario, and President and Chief Executive of CFO Advantage Inc., a company that provides CFO, and other financial accounting and compliance services to companies in various industries including junior mining, manufacturing and distribution. Mr. Appleby is currently CFO and director of a number of reporting issuers. Mr. Appleby lives in Toronto, Canada.

### **Henry Kloepper**

*Director* – Age 65 – Mr. Kloepper is a former Chief Executive Officer of Frontier Lithium Inc. and has worked in investment banking and structured finance throughout a 30 year career. He has a rounded knowledge of the capital markets, strategic growth and investments.

In the past, Mr. Kloepper has worked in executive positions with JP Morgan, Citibank, Bank of America, and North American Trust in Canada, the US and Europe. Currently, Mr. Kloepper is a director of a number of public companies listed in Canada and the U.S., which are involved in consumer finance, merchant banking, manufacturing and distribution.

His responsibilities range from lead independent director to chairing audit/compensation committees. Notable directorships include: Award Capital (Spot Coffee - food and beverage), National Construction, Mogul Energy (Oil and Gas), DealNet Capital (Consumer finance/merchant banking), Gilla Inc. (E cigarette manufacturer/distribution), Sofit Mobile (App. and technology incubator), and Pacific Software Inc. (Metal Fabrication).

### **Bryan Reyhani**

*Director* – Mr. Reyhani is currently a director at Captor Capital Corp. He also is the owner of The Woodgates Group, a boutique consulting firm focused on business strategy and alternative opportunities. From 2017-2019, he was the Managing Director of the Eastmore Group where he was responsible for various legal and business strategy in both the public and private markets. He began his professional career in the Office of General Counsel at Merrill Lynch (1999-2003). From there, he joined the financial services and regulatory practice group at Loeb & Loeb LLP, where he spent approximately nine years and made partner (2003-2012). In 2012, he co-founded his own law practice, Reyhani Nemirovsky LLP, where he and the firm handled a wide variety of regulatory matters, litigations and corporate disputes, and developed a specialty practice related to blockchain technology and cryptocurrencies.

## Pre-Approval Policies and Procedures

In the event the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the CFO of the Corporation shall consult with the chair of the audit committee, who shall have the authority to approve or disapprove on behalf of the audit committee, such non-audit services. All other permissible non-audit services shall be approved or disapproved by the audit committee as a whole.

## Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Corporation for professional services rendered to the Corporation during the fiscal years ended March 31, 2020 and March 31, 2019 for audit and non-audit related services:

Type of Work	Year Ended March 31, 2020	Year Ended March 31, 2019
Audit fees	203,300	561,750
Audit-related fees	3,745	13,883
Tax advisory fees	Nil	14,418
All other fees	Nil	Nil
Total	207,045	590,051

## Exemption

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a “venture issuer”, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## CORPORATE GOVERNANCE

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 (“**NI 58-101**”) of the Canadian Securities Administrators requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Corporation’s approach to corporate governance in relation to the Guidelines.

### *The Board of Directors*

NI 58-101 defines an “independent” director as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is, in turn, defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment. The Board is currently comprised of four members, one of which the Board has determined are “independent” within the meaning of NI 58-101.

John Zorbas is not considered to be independent as a result of their respective roles as officers of the Corporation.

Messrs Appleby, Kloepper, Klein and Reyhani are considered independent directors since they are independent of management and free from any material relationship with the Corporation. The basis for this determination is that such persons have not worked for the Corporation, received remuneration from the Corporation other than standard director’s compensation or had material contracts with or material interests in the Corporation which could interfere with his ability to act with a view to the best interests of the Corporation.

The Board believes that it functions independently of management. To enhance its ability to act independent of management, the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

### *Directorships*

Certain of the directors of the Corporation are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<b>Name of director</b>	<b>Other reporting issuer (or equivalent in a foreign jurisdiction)</b>
Henry Kloepper	<b>Kure Technologies Inc.,</b>
Kyle Appleby	<b>Tarku Resources Ltd., URU Metals Ltd.,</b>
John Zorbas	<b>URU Metals Ltd.</b>
Mark Klein	<b>Pacific Arc Resources Ltd.</b>
Bryan Reyhani	<b>Engine Media Holdings, Inc., Global Brokerage, Inc.,</b>

### ***Orientation and Continuing Education***

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as recent annual reports, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Corporation also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

### ***Ethical Business Conduct***

The Board monitors the ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges.

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### ***Nomination of Directors***

The full Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development and given the small size of the Board.

While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Corporation. As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

### ***Compensation***

The full Board performs the functions of a compensation committee. The Board believes that this is a practical approach at this stage of the Corporation's development and given the small size of the Board.

The Board as a whole reviews on an annual basis the adequacy and form of compensation of directors to ensure that the compensation of the Board reflects the responsibilities, time commitments, and risks involved in being a responsible director. The directors of the Corporation receive annual fees for their service as directors, as well as additional fees for each meeting attended. All directors are also eligible to participate in the Option Plan. See "Compensation of Directors".



In addition, the Board as a whole will review the compensation paid to the CEO of the Corporation and any other key executive officers of the Corporation. In reviewing such compensation, the Board evaluates the achievements of the executive officer against corporate goals and objectives, as well as overall corporate performance.

### ***Other Board Committees***

The Board currently has no committees other than the audit and compensation committees.

### ***Assessments***

The Board assesses, on an annual basis, the contributions of the Board as a whole and each of the individual directors, in order to determine whether each is functioning effectively.

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

Other than as disclosed in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last completed fiscal year or any associate of any such director or executive officer has any material interest, director or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **1. Election of Directors**

The articles of the Corporation provide that the board may consist of a minimum of one and a maximum of 20 directors, to be elected annually. At the Meeting, shareholders will be asked to fix the number of directors at five (5).

Management proposes that each of the persons named below (“**Nominees**”) be nominated at the Meeting for re-election or election, as the case may be, as directors of the Corporation to serve, until the next annual meeting of Shareholders or until his or her successor is elected or appointed. Management does not contemplate that any of the nominees will be unable to serve as a director. **However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Shares represented by proxies in favour of management nominees will be voted for the election of all of the nominees whose names are set forth below, unless a Shareholder has specified in his proxy that his shares are to be withheld from voting on the election of directors.**

The following table and the notes thereto state the names of all persons to be nominated for election as directors, all other positions or offices with the Corporation now held by them, their principal occupations of employment, the year in which they became directors for the Corporation, the approximate number of Commons Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them, as of the date hereof.

<b>Name and State/Province of Residence</b>	<b>Position</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Voting Securities Beneficially Held, Directed or Controlled<sup>(1)</sup></b>
Henry Kloeppe Toronto, Ontario	Director	Entrepreneur	December 2013	Nil
Kyle Appleby Toronto, Ontario	Director	Chartered Public Account providing CFO services to public and private companies.	July 2014	5,000

John Zorbas Athens, Greece	Director, CEO and President	Entrepreneur	January 2018	129,575
Mark Klein Tel Aviv, Israel	Director	Managing Director at The Lockwood Group LLC	November, 2019	Nil
Bryan Reyhani New York, USA	Director	Lawyer / Consultant	November, 2019	Nil

Note:

- (1) The information as to voting securities beneficially owned or over which the Nominees exercise control or direction not being within the knowledge of the Corporation has been furnished by the respective Nominees individually.

**IF ANY OF THE NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.**

#### ***Cease Trade Orders or Bankruptcies***

Other than as set out below, no nominee is, as of the date of this Information Circular, or has been, within the 10 years prior to the date of this Information Circular, a director or executive officer of any corporation that, while that person was acting in that capacity: (a) was the subject of a cease trade or similar order or an order that denied the corporation access to any exemption under securities legislation for a period of more than 30 consecutive days; (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade or similar order or an order that denied the corporation access to any exemption under securities legislation for a period of more than 30 consecutive days; or (c) within a year of that person ceasing to act in that capacity, became bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of said corporation.

On August 6, 2019, the Corporation was cease traded for failing to file its audited annual financial statements on time for the year ended March 31, 2019. The Corporation filed its audited annual financial statements for the year ended March 31, 2019 on November 7, 2019 and the cease trade order was lifted. Messrs. Zorbas, Kloepper and Appleby were directors of the Corporation when the Corporation was cease traded.

#### ***Personal Bankruptcies***

No Nominee has, within 10 years before the date of this Information 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 such person.

#### ***Penalties and Sanctions***

No Nominee has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or 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 security holder in deciding whether to vote for a Nominee.

#### ***Conflicts of Interest***

The directors are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests that they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on

such matter.

To the best of the Corporation's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

## **2. Appointment of Auditors**

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote for the appointment of MNP LLP as auditors of the Corporation for the 2020/2021 fiscal year, and to authorize the directors to fix their remuneration.

## **3. Common Share Consolidation**

The Board proposes to reduce the number of Common Shares of the Corporation in order to increase its flexibility with respect to potential business transactions, including any equity financings, if determined by the Corporation to be necessary. Shareholders are being asked to consider and, if thought fit, to pass the special resolution authorizing the Board, in its sole discretion, to consolidate the Common Shares on the basis of one (1) new Common Share for up to ten (10) old Common Shares (the "**Consolidation**") and amending the Corporation's articles accordingly. Notwithstanding approval of the Consolidation by shareholders, the Board of Directors may, in its sole discretion, revoke this special resolution, and abandon the Consolidation without further approval or action by or prior notice to shareholders.

Prior to making any amendment to effect the consolidation of Common Shares, the Corporation shall first be required to obtain any and all applicable regulatory and relevant approvals from the Canadian Securities Exchange. The Board believes shareholder approval of a maximum potential Consolidation Ratio (rather than a single consolidation ratio) of one post-Consolidation Common Shares for up to ten pre-Consolidation Common Shares provides the Board with flexibility to achieve the desired results of the Consolidation. If this special resolution is approved, the Consolidation will be implemented, if at all, only upon a determination by the Board that the Consolidation is in the best interests of the Corporation and its shareholders at that time. In connection with any determination to implement a Consolidation, the Corporation's Board will set the timing for such a consolidation and select the specific ratio from within the range for a ratio set forth in the special resolution.

### *Certain Risks Associated with the Consolidation*

There can be no assurance that the total market capitalization of the Corporation's Common Shares (the aggregate value of all Common Shares at the then market price) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-share market price of the Common Shares following the Consolidation will be higher than the per share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of a Consolidation and the liquidity of the Common Shares could be adversely affected. There can be no assurance that, if the Consolidation is implemented, the margin terms associated with the purchase

of Common Shares will improve or that the Corporation will be successful in receiving increased attention from institutional investors.

*Principal Effects of the Consolidation*

As of November 12, 2020, the Corporation had 38,733,438 Common Shares issued and outstanding. Following the completion of the proposed Consolidation, the number of Common Shares of the Corporation issued and outstanding will depend on the ratio selected by the Corporation's Board. The following table sets out the appropriate number of Common Shares that would be outstanding as a result of the Consolidation at the ratios suggested below.

**Table – Consolidation Ratio**

<b>Proposed Consolidation Ratio<sup>(1)</sup></b>	<b>Approximate Number of Outstanding Shares (Post Consolidation)<sup>(2)</sup></b>
1 for 10	3,873,344
1 for 8	4,841,680
1 for 5	7,746,688
1 for 2	19,366,719

**Notes:**

1. The Ratios above are for information purposes only and are not indicative of the actual ratio that may be adopted by the Board of Directors to effect the Consolidation.
2. Based on the outstanding number of Common Shares as at November 12, 2020, being 38,733,438

*Tax Effect*

The Consolidation will not give rise to a capital gain or loss under the *Income Tax Act* (Canada) for a shareholder who holds such Common Shares as capital property. The adjusted cost base to the shareholder of the new Common Shares immediately after the consolidation will be equal to the aggregate adjusted cost base to the shareholder of the old Common Shares immediately before the Consolidation.

*Notice of Consolidation and Letter of Transmittal*

If the Corporation effects the Consolidation, a letter of transmittal will be mailed to the shareholders. This letter of transmittal which will need to be duly completed and submitted by any shareholder wishing to receive share certificates representing the post-Consolidation Common Shares to which he, she or it is entitled if the Corporation completes the Consolidation. This letter of transmittal can be used for the purpose of surrendering certificates representing the currently outstanding Common Shares to the Corporation's registrar and transfer agent in exchange for new share certificates representing whole post-Consolidation Common Shares of the Corporation. After the Consolidation, current issued share certificates representing pre-Consolidation Common Shares of the Corporation will (i) not constitute good delivery for the purposes of trades of post-Consolidation Common Shares; and (ii) be deemed for all purposes to represent the number of post-Consolidation Common Shares to which the Shareholder is entitled as a result of the Consolidation. No delivery of a new certificate to a Shareholder will be made until the Shareholder has surrendered his, her or its current issued certificates.

**No letter of transmittal until will be sent until the Corporation announces by press release that the Consolidation will become effective. The press release will contain instructions as to when the existing share certificates and the letter of transmittal are to be mailed to shareholders and sent to Capital Transfer Company, the Corporation’s registrar and transfer agent.**

#### *Fractional Shares*

No fractional common shares of the Corporation will be issued upon the Consolidation. All fractions of post-Consolidation shares will be rounded to the next lowest whole number if the first decimal place is less than five and rounded to the next highest whole number if the first decimal place is five or greater.

#### *Percentage Shareholdings*

The Consolidation will not affect any shareholder’s percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Common Shares. Instead, the Consolidation will reduce proportionately the number of Common Shares held by all shareholders.

#### *Implementation*

The implementation of the special resolution is conditional upon the Corporation obtaining the necessary regulatory consents. The special resolution provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation, without further approval of the Corporation's shareholders. In particular, the Board of Directors may determine not to present the special resolution to the Meeting or, if the special resolution is presented to the Meeting and approved, may determine after the meeting not to proceed with completion of the proposed Consolidation and filing the articles of amendment. If the Board does not implement the Consolidation within 36 months of the Meeting, the authority granted by the special resolution to implement the Consolidation on these terms would lapse and be of no further force or effect.

#### *Effect on Non-registered Shareholders*

Non-registered shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for registered shareholders. If you hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

At the Meeting, the Shareholders will be asked to pass a special resolution, with or without amendment, to approve the Consolidation. The following is the text of the resolution to be considered by the Shareholders at the meeting:

#### **“BE IT RESOLVED THAT:**

1. The Corporation be and is hereby authorized to consolidate the issued and outstanding Common Shares in the capital of the Corporation on the basis of one (1) new Common Share for up to every ten (10) Common Shares presently issued and outstanding (the “**Consolidation**”) and amend the Corporation’s Articles accordingly;

2. the Board of Directors are hereby authorized to determine the ratio for the Consolidation within the range set out in the Table entitled – “*Consolidation Ratio*” of the management information circular dated November 12, 2020;
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, prepare and file Articles of Amendment for the Corporation to effect the Consolidation or make any changes required by the Canadian Securities Exchange or applicable securities regulatory authorities; and
4. notwithstanding the passing of this special resolution by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the Shareholders of the Corporation not to proceed with the Consolidation or to revoke this resolution at any time prior to the Consolidation becoming effective.”

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the resolution authorizing and approving the Consolidation. In order to be approved, the special resolution must be passed by at least 66 and 2/3% of the votes cast by shareholders at the Meeting in person or by proxy.**

**IT IS INTENDED THAT THE SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE ABOVE RESOLUTION.**

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Since the beginning of the last completed financial year and up to the date hereof, no director, executive officer or employee or former executive officer, director or employee of the Corporation or any of its subsidiaries has been indebted to the Corporation.

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

No informed person, director, executive officer, nominee for director, any person who beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation, nor any associated or affiliate of such persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation.

#### **OTHER BUSINESS**

Management of the Corporation knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if matters not now known to management should come before the Meeting, Common Shares represented by proxies solicited by management will be voted on each such matter in accordance with the best judgment of the nominees voting same.

#### **REGISTRAR AND TRANSFER AGENT**

Capital Transfer Agency, at 390 Bay Street, Suite 920, Toronto, Ontario, is the registrar and transfer agent for the Corporation's Common Shares.

#### **DIRECTORS' APPROVAL**

The contents and sending of this Information Circular have been approved by the directors of the Corporation.

DATED at Toronto, Ontario as of the 12<sup>th</sup> day of November, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) John Zorbas* \_\_\_\_\_

**SCHEDULE “A”**  
**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**1. PURPOSE**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Captor Capital Corp. (the “Corporation”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

**2. AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

**3. COMPOSITION AND MEETINGS**

- (a) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“OSC”),



the TSX Venture Exchange, the Business Corporations Act (Ontario) and all applicable securities regulatory authorities.

- (b) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
- (c) A majority of the members of the Committee shall be “independent” and shall be “financially literate” (as each such term is defined in Multilateral Instrument 52-110).
- (d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
- (e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- (f) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- (g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- (h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- (i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- (j) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- (k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

#### 4. **RESPONSIBILITIES**

**(a) Financial Accounting and Reporting Process and Internal Controls**

- (i) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles (“GAAP”) and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (ii) The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management’s response.
- (iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, management’s discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
- (iv) The Committee shall review management’s discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
- (v) The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
- (vi) The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
- (vii) The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management’s response and subsequent follow-up to any identified weaknesses.
- (viii) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
- (ix) The Committee shall establish procedures for:
  - (A) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (B) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (x) The Committee shall provide oversight to related party transactions entered into by the Corporation.

## 5. **Independent Auditors**

- (a) The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
- (b) The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- (c) The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- (d) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
- (e) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- (f) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- (g) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
- (h) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (i) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
- (j) The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

### Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

### **Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters**

- The Corporation shall inform employees on the Corporation's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "Complaints Officer") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
- The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
- The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly

basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Corporation.

- Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
- The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

#### Procedures for Approval of Non-Audit Services

6. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
  - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
  - (b) financial information systems design and implementation;
  - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
  - (d) actuarial services;
  - (e) internal audit outsourcing services;
  - (f) management functions;
  - (g) human resources;
  - (h) broker or dealer, investment adviser or investment banking services;
  - (i) legal services;
  - (j) expert services unrelated to the audit; and
  - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
7. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
8. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.