



**QUINSAM CAPITAL CORPORATION**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

**THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON NOVEMBER 4, 2022**

Dated September 27<sup>th</sup>, 2022

## QUINSAM CAPITAL CORPORATION

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual general meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Quinsam Capital Corporation (the “**Corporation**”) will be held at 18 King Street East, Suite 902, Toronto, Ontario, M5C 1C4 on November 4, 2022 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2021 and the report of the auditors thereon;
2. to appoint MNP LLP as the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect the directors of the Corporation for the ensuing year; and
4. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular (“**Circular**”).

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is September 27<sup>th</sup>, 2022 (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.

**In an effort to mitigate the risks associated with COVID-19, and to preserve the health and safety of our communities, Shareholders, employees and other stakeholders, we are asking Shareholders to vote in advance of the Meeting. We encourage Shareholders to not attend the Meeting in person due to risks related to COVID-19. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered Shareholders and proxyholders entitled to attend and vote at the Meeting. We highly recommend Shareholders vote their common shares prior to the Meeting.**

#### **Voting**

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof.** To be effective, the enclosed form of proxy must be mailed or faxed so as to reach or be deposited with Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Attn: Proxy Department, Fax: 1.866.249.7775, prior to the proxy deadline, not later than forty-eight (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. Registered Shareholders shall also have the option to vote by telephone or via the internet, as more particularly described in the Circular. Information on how non-registered (or beneficial) Shareholders may cast their vote is also described in greater detail in the Circular.

DATED this 27<sup>th</sup> day of September, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Roger Dent”*

Roger Dent  
Chief Executive Officer and Director

## GENERAL INFORMATION RESPECTING THE MEETING

### Solicitation of Proxies

This management information circular (this “Circular”) is furnished in connection with the solicitation of proxies by the management of Quinsam Capital Corporation (the “Corporation”) for use at the annual general meeting (the “Meeting”) of the shareholders (the “Shareholders”) of the Corporation to be held at 10:00 a.m. (Toronto time) on November 4, 2022 at 18 King Street East, Suite 902, Toronto, Ontario, M5C 1C4 for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders. References in the Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Corporation.

The board of directors of the Corporation (the “Board”) has fixed the close of business on September 27<sup>th</sup>, 2022 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the “Record Date”). All duly completed and executed proxies must be received by the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. (“Computershare”), Attn: Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Fax: 1.866.249.7775 or Tel: 1.866.732.8683 not later than forty-eight (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.

**We encourage Shareholders to not attend the Meeting in person due to risks related to COVID-19. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered Shareholders and proxyholders entitled to attend and vote at the Meeting. We highly recommend Shareholders vote their common shares prior to the Meeting.**

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of September, 27<sup>th</sup> 2022.

### Voting of Proxies

The common shares in the capital stock of the Corporation (“Common Shares”) represented by the accompanying form of proxy (if same is properly executed and is received at the offices of Computershare at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. 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 Annual General Meeting of Shareholders and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### *How to Vote – Registered Shareholders*

#### *By Proxy*

1. By telephone • 1.866.732.VOTE(8683)

2. On the internet • [www.investorvote.com](http://www.investorvote.com)
3. By mail • Computershare Investor Services Inc., 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1
4. By fax • 1.866.249.7775
5. You may appoint another person or company as your proxyholder to go to the Meeting and vote your Common Shares for you. This person does not have to be a Shareholder but must attend the Meeting.

The vote at the Meeting may be conducted by show of hands or by ballot.

### **Appointment of Proxies**

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Computershare, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

### **Revocation of Proxies**

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Computershare, 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Computershare at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### **Voting by Non-Registered Shareholders**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust

company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (“**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Annual General Meeting of Shareholders, this Circular, the form of proxy and a request card for interim and annual materials (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders. The Corporation does not intend to pay for the delivery of the Meeting Materials to objecting Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting;** or
- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare at the address provided herein.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

## ***How to Vote – Beneficial Shareholders***

### *By voting instruction form*

1. Your nominee is required to ask for your voting instructions before the Meeting, and you should contact your nominee if you did not receive a request for voting instructions or a proxy form with this Circular.
2. As noted above, in most cases, you will receive a voting instruction form from your nominee, and you should provide your voting instructions in accordance with the directions on the form.
3. Less frequently, you will receive a proxy form signed by the nominee that is restricted as to the number of Common Shares beneficially owned by you but is otherwise incomplete. If you receive a proxy form, you should complete and return it in accordance with the directions on the proxy form to the Corporation, c/o Computershare Investor Services Inc., 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Fax: 1.866.249.7775.
4. To be valid for use at the Meeting, voting instruction forms and proxies must be received before 10:00 a.m. (Toronto time), November 2<sup>nd</sup>, 2022.

### *In person at the Meeting*

1. The Corporation does not have access to the names or holdings of “objecting beneficial” owners of Common Shares.
2. Beneficial Shareholders can only vote shares in person at the Meeting if appointed as the proxyholder (you can do this by printing your name in the space provided on the voting instruction form provided by your nominee and submitting and returning it as directed on the form).
3. If appointed as proxyholder, a beneficial Shareholder will be asked to register his or her attendance at the Meeting and may vote at the Meeting on votes conducted by show of hands or by ballot.

**We encourage Shareholders to not attend the Meeting in person due to risks related to COVID-19. We highly recommend Shareholders vote their Common Shares prior to the Meeting.**

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

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation’s last financial year, each proposed nominee for election as a director of the Corporation, and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value. As at the date hereof, there are 98,332,106 Common Shares issued and outstanding and nil preferred shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation’s transfer agent, Computershare, within the time specified in the attached Notice of Annual General Meeting of Shareholders, to attend and to vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying

10% or more of the voting rights attached to all outstanding Common Shares of the Corporation, other than as set out below:

Name of Shareholder	Number of Common Shares <sup>(1)(2)(3)</sup>	Percentage of Common Shares <sup>(1)(2)</sup>
Roger Dent	13,048,000	12.93%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the relevant shareholder.
- (2) On a non-diluted basis.
- (3) 7,000,000 Common Shares controlled by Mr. Dent are held through Susan Lambie and 783,000 Common Shares controlled by Mr. Dent are held through Theresa Dent.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation’s Chief Executive Officer, Chief Financial Officer, and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Corporation whose total compensation for the most recently completed financial year was individually equal to more than \$150,000 (the “NEOs” or “Named Executive Officers”), during the Corporation’s most recently complete financial year, being the financial year ended December 31, 2021 (the “Last Financial Year”). The NEOs of the Corporation during the Last Financial Year were Roger Dent, the Chief Executive Officer and a Director of the Corporation, and Keith Li, the Chief Financial Officer of the Corporation.

#### *Compensation & Corporate Governance Committee*

The compensation & corporate governance committee (“**Compensation & Corporate Governance Committee**”) is currently comprised of three directors, namely Ross Geddes (Chairman), Roger Dent and Eric Szustak. Messrs. Geddes and Szustak are independent within the meaning of Canadian Securities Administrator’s National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). Mr. Dent is not independent as he is an officer of the Corporation and thereby has a “material relationship” with the Corporation.

The Compensation & Corporate Governance Committee’s purpose is, among other things, to: (i) review and make recommendations to the Board at least annually regarding the Corporation’s remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans (including the Corporation’s incentive stock option plan) and grants, and benefit plans; (ii) have the sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention; (iii) review and approve at least annually all compensation arrangements with the senior executives of the Corporation; (iv) review and approve at least annually all compensation arrangements with the directors of the Corporation; and (v) review the executive compensation sections disclosed in the Corporation’s management proxy circular distributed to the Shareholders in respect of the Corporation’s annual meetings of Shareholders.

#### *Compensation Process*

The Board relies on the knowledge and experience of the directors thereon and the members of the Compensation & Corporate Governance Committee to set appropriate levels of compensation for senior officers. Neither the Corporation nor the Board, nor the Compensation & Corporate Governance Committee, currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer compensation.

The Compensation & Corporate Governance Committee reviews the various elements of the NEOs’ compensation in the context of the total compensation package (including salary, consulting fees and prior awards under the Corporation’s stock option plan) and recommends to the Board the NEOs’ compensation packages. The Compensation

& Corporate Governance Committee’s recommendations regarding NEO compensation are presented to the independent members of the Board for their consideration and approval.

***Principles / Objectives of the Compensation Program***

The primary goal of the Corporation’s executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation’s senior officers is determined with regard to the Corporation’s business strategy and objectives and financial resources, and with the view of aligning the financial interests of the senior officers with the financial interests of the shareholders of the Corporation.

***Compensation Program Design and Analysis of Compensation Decisions***

Standard compensation arrangements for the Corporation’s senior officers are composed of the following elements, which are linked to the Corporation’s compensation and corporate objectives as follows:

<b>Compensation Element</b>	<b>Link to Compensation Objectives</b>	<b>Link to Corporate Objectives</b>
Base Salary and/or Consulting Fees	<i>Attract and Retain</i>	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Stock Options	<i>Motivate and Reward Align interests with Shareholders</i>	Long-term incentives motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.
Annual Incentive Bonus	<i>Motivate and Reward Align interests with Shareholders</i>	Bonus payments in cash or deferred share units incentivize senior officers to increase shareholder value by meeting investment targets and reaching corporate objectives.

***Performance and Compensation***

The Board did not establish any quantifiable criteria during the Last Financial Year with respect to base compensation payable or the amount of equity compensation granted to NEOs and did not benchmark against a peer group of companies.

***Base Salaries and Consulting Fees***

The Corporation reviews on an ongoing basis the appropriate compensation package for senior officers with the aim of providing base salaries or consulting fees which represent their minimum compensation for services rendered or expected to be rendered. NEOs’ base compensation will depend on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices competitiveness, and the Corporation’s existing financial resources. Base salaries will be reviewed annually by the Compensation & Corporate Governance Committee. During the Last Financial Year, the Compensation & Corporate Governance Committee and the Board decided it would be in the best interests of the Corporation and its Shareholders to provide base salaries, payable on a monthly basis, to compensate senior officers for their ongoing contributions to the Corporation. Roger Dent, the Chief Executive Officer and a Director of the Corporation, receives a base monthly salary of \$11,250, and Keith Li, an employee of Branson Corporate Services Ltd., with which the Corporation has an agreement for CFO services, receives a monthly consulting fee of \$8,000.

***Bonuses***

The Corporation may, in its discretion, award annual incentives by way of cash bonuses in order to motivate executives to achieve short-term corporate goals and encourage continued high standards of performance. The success of NEOs in achieving their individual objectives and their contributions to the Corporation in reaching its overall goals are factors in the determination of their annual bonus. The Board has adopted a “bonus pool” whereby senior officers and directors may receive bonus awards calculated at 5% of net investment income, on an annual basis, payable in cash or equity incentive securities of the Corporation. During the Last Financial Year, Roger Dent, the Chief Executive Officer and a Director of the Corporation, was granted a management bonus of 774,000 deferred share units (“DSUs”) in recognition of the Company’s portfolio performance during the fiscal year ended December 31, 2020. This bonus



was awarded in accordance with the terms of the Corporation's deferred share unit plan (the "**DSU Plan**"). Eric Szustak, the Chairman and a Director of the Corporation, was not granted any bonus awards during the Last Financial Year.

The Compensation & Corporate Governance Committee determines target amounts based on a number of factors, including comparable compensation of similar companies. Each NEO may receive an annual incentive amount set by the Compensation & Corporate Governance Committee, depending on the assessment of such NEO's overall performance by the Compensation & Corporate Governance Committee and the Board.

The Board relies heavily on the recommendations of the Compensation & Corporate Governance Committee in granting annual incentives. However, the Board reserves ultimate discretion in determining whether each NEO has met his or her targets, and has the right make positive or negative adjustments to any annual incentive payment recommended by the Compensation & Corporate Governance Committee that it deems appropriate.

#### *Stock Option Plan*

The Corporation adopted an incentive stock option plan dated April 20, 2004, which was amended effective November 23, 2006 (the "**Stock Option Plan**"). Shareholders ratified and approved the Stock Option Plan on June 29, 2007. The Stock Option Plan, together with the DSU Plan, are the Corporation's only equity compensation plans approved by Shareholders. The total number of stock options that may be granted together with outstanding options and DSUs cannot exceed 10% of the total number of Common Shares issued and outstanding. As of the date of this Circular, the Corporation has 4,940,000 options outstanding to purchase Common Shares.

The Stock Option Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance thereunder. The exercise price of each option may not be less than the market price of the Common Shares as calculated on the date of grant less an applicable discount. The options can be granted for a maximum term of five (5) years and vesting periods are determined by the Board. The purpose of the Stock Option Plan is to advance the interests of the Corporation by (i) providing certain employees, officers, directors or consultants of the Corporation (collectively, the "**Optionees**") with additional performance incentives; (ii) encouraging Common Share ownership by the Optionees; (iii) increasing the proprietary interest of the Optionees in the success of the Corporation; (iv) encouraging the Optionees to remain with the Corporation; and (v) attracting new employees, officers, directors and consultants to the Corporation.

The grant of options pursuant to the Stock Option Plan is an integral component of the compensation arrangements of the senior officers of the Corporation. The Board believes that the grant of options to senior officers and Common Share ownership by such officers serves to motivate such officers to strive towards achievement of the Corporation's long-term strategic objectives, which will benefit all Shareholders. Options may be awarded to employees of the Corporation by the Board. Decisions with respect to options granted are based upon the individual's level of responsibility and their contribution towards the Corporation's goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The Board considers the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options and the size of such grants.

#### *DSU Plan*

The Corporation's DSU Plan dated April 29, 2019 was ratified and approved by the Shareholders on June 25, 2019. The DSU Plan is designed to promote the alignment of interests among employees, directors, officers and Shareholders of the Corporation. The Compensation & Corporate Governance Committee is responsible for administering the DSU Plan, subject to the overriding authority of the Board to make all determinations and take all other actions in connection with or in relation to the DSU Plan as it may deem necessary or advisable. The following summary is subject to the specific provisions of the DSU Plan.

Employees, directors and officers (the "**Participants**", and each a "**Participant**") are eligible to participate in the DSU Plan. A DSU issued under the DSU Plan is a bookkeeping entry representing a future right to receive one

Common Share in accordance with the terms of the DSU Plan. As of the date of this Circular, the Corporation has 3,653,175.940 DSUs outstanding redeemable for Common Shares.

The aggregate number of Common Shares that may be reserved for issuance, at any time, under the DSU Plan and under any other security based compensation arrangement adopted by the Corporation, including the Corporation's Stock Option Plan, shall not exceed 10% of the total amount of Common Shares of the Corporation issued and outstanding as at the date of issuance of an incentive security.

Subject to applicable income tax and other withholdings as required by law, the value of the vested DSUs redeemed by or in respect of a Participant may be paid to the Participant, at the election of the Participant, in the form of Common Shares. Any vesting conditions (which may include time restrictions, performance conditions or a combination of both) for DSUs shall be determined by the Compensation & Corporate Governance Committee in advance of any grants. The Board may also, in its sole and absolute discretion, accelerate and/or waive any vesting or other conditions for all or any DSUs for any Participant at any time and from time to time.

Upon the occurrence of a Change of Control (as such term is defined in the DSU Plan), all of a Participant's unvested DSUs will automatically become vested DSUs on the date such change of control occurs and all of such Participant's vested DSUs will be redeemed in accordance with the terms of the DSU Plan in a manner that allows the Participant to participate in such Change of Control only if it is completed prior to the date of an event of termination (if any), as determined by the Board in its sole discretion.

If the number of outstanding Common Shares of the Corporation shall be increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Common Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments to the number of DSUs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole and absolute discretion and all such adjustments shall be conclusive and binding for all purposes under the DSU Plan.

Whenever cash dividends or distributions are paid on the Common Shares, additional DSUs may be credited to the Participant's DSU Account (as such term is defined in the DSU Plan). The number of such additional DSUs will be calculated by dividing the aggregate dividends or distributions that would have been paid to such Participant, if the DSUs in the Participant's DSU Account had been Common Shares, by the market price of the Common Shares on the date on which the dividends or distributions were paid on the Common Shares.

The Board reserves the right, in its absolute discretion, to amend, suspend or terminate the DSU Plan, or any portion thereof, at any time without obtaining shareholder approval, subject to those provisions of applicable law and regulatory requirements (including the rules, regulations and policies of the CSE), if any, that require shareholder approval.

### ***Compensation Risk Considerations***

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Corporation believes the programs are balanced and do not motivate unnecessary or excessive risk taking. The Corporation does not have a policy in place which prohibits NEOs or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, the Compensation Committee will continue to monitor whether such a policy should be adopted by the Corporation and provide such recommendations to the Board as needed.

Base salaries are fixed in amount and thus do not encourage risk taking. Annual incentive awards are based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would trigger the award of a bonus payment to the NEO. The determination as to whether a target has been met is ultimately made by the Board (after receiving recommendations of the Compensation Committee) and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards is capped at the company level and the distribution of funds to the executive officers is at the discretion of the Compensation Committee.

Stock option awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the Corporation's stock price and since awards are staggered and subject to long-term vesting schedules, they help ensure that NEOs have significant value tied to the Corporation's long-term stock price performance.

### Summary Compensation Table

The following tables provides information for the Last Financial Year and the years ended December 31, 2020 and December 31, 2019 regarding compensation earned by each of the following NEOs:

Name and principal position	Year Ended December 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Roger Dent <i>Chief Executive Officer</i>	2021	128,500	14,740	139,799 <sup>(1)</sup>	Nil	Nil	Nil	Nil	283,039
	2020	120,667	12,317	Nil	Nil	Nil	Nil	Nil	132,984
	2019	120,000	420,395 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	540,395
Keith Li <sup>(3)</sup> <i>Chief Financial Officer</i>	2021	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000
	2020	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000
	2019	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000

Notes:

- (1) On May 31, 2021, the Corporation granted 2,240,000 options to a number of directors and officers with an exercise price of \$0.19 and an expiry date of May 31, 2026, of which Mr. Dent received 1,500,000 options. The options vested immediately on grant and were measured at fair value at the date of grant using the Black-Scholes valuation model with the following assumptions: expected volatility of 100%, expected dividend yield of 2.70%, risk-free interest rate of 0.90% and an expected remaining life of 5 years.
- (2) On June 25, 2019, the Corporation granted 2,375,000 DSUs to Mr. Dent as partial payment of the management bonus related to the Corporation's portfolio performance, that was accrued for the year ended December 31, 2018. The DSUs vested immediately on grant and were valued at \$414,438, based on the Corporation's closing share price on the date of grant. On August 26, 2019, and November 28, 2019, the Corporation paid a quarterly dividend of \$0.00125 per common share. On distribution of the cash dividends, the Corporation granted to Mr. Dent an additional 16,047 DSUs at a deemed price of \$0.185 valued at \$3,125 on August 26, 2019, and 29,888 DSUs at a deemed price of \$0.10 valued at \$2,988 on November 28, 2019.
- (3) Mr. Li is employed through Branson Corporate Services Ltd., which is party to a management services agreement, providing for Chief Financial Officer services to the Corporation, as well as other accounting and administrative services.

### Incentive Plan Awards

The following tables provide information regarding the incentive plan awards for each NEO outstanding as of December 31, 2021.

### Outstanding Share Awards and Option Awards

Name	Option-based Awards				Share-based Awards		
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Roger Dent	1,675,000 1,500,000	0.13 0.19	August 25, 2025 May 31, 2026	\$25,125 Nil	Nil Nil	Nil Nil	Nil Nil
Keith Li	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Note:

- (1) Calculated based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the CSE on December 31, 2021 of \$0.145.

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

Name	Option-based awards – Value vested during the year (\$)(1)	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Roger Dent	Nil <sup>(2)</sup>	\$14,740 <sup>(3)</sup>	Nil
Keith Li	Nil	Nil	Nil

Notes:

- (1) Based on the number of options that vested during the Last Financial Year and calculated based on the difference between the market price of the Common Shares on the CSE and the exercise price of the options on the vesting date. Any unexercised options may never be exercised and an actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) The stock options, granted on May 31, 2021, vested immediately upon their granting. The closing price of the Common Shares on the CSE on May 31, 2021 was \$0.19.
- (3) The Corporation paid four quarterly dividends of \$0.00125 per Common Share during The Last Financial Year: on February 25, 2021, May 28, 2021, August 27, 2021 and November 26, 2021. In lieu of the cash dividends, the Corporation granted to Mr. Dent 17,593 DSUs at a deemed price of \$0.18 for an aggregate value of \$3,167 on February 25, 2021, 17,236 DSUs at a deemed price of \$0.185 for an aggregate value of \$3,189 on May 28, 2021, 23,210 DSUs at a deemed price of \$0.18 for an aggregate value of \$4,178 on August 27, 2021, and 26,292 DSUs at a deemed price of \$0.16 for an aggregate value of \$4,206 on November 26, 2021.

#### **Pension Plan Benefits**

As at the date of this Circular, the Corporation does not have any pension plans.

#### **Termination and Change of Control Benefits**

As at the date of this Circular, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Corporation in the event of the resignation, retirement or other termination of the NEO's employment with the Corporation, change of control of the Corporation or a change in the NEO's responsibilities following a change in control.

#### **Director Compensation**

The Board determines the level of compensation for directors based on recommendations from the Compensation & Corporate Governance Committee. The Board reviews directors' compensation as needed, taking into account time commitment, risks and responsibilities to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

The Board has adopted a cash compensation program for its directors with respect to general director’s duties, meeting attendance and for additional service on Board committees. As of July 1, 2021, directors receive a base fee of \$1,350 on a monthly basis, with members of the Audit Committee earning an additional \$400 per month and members of the Compensation & Corporate Governance Committee receiving an additional \$300 per month. Directors’ compensation is reviewed on an annual basis by the Board, with any changes based on the recommendation of the Compensation & Corporate Governance Committee. Directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or Shareholder meetings and otherwise incurred in carrying out their duties as directors of the Corporation.

Directors may receive equity incentive grants determined by the Board pursuant to the Corporation’s incentive stock option plan and DSU Plan. The exercise price of options is determined by the Board but shall in no event be less than the market price of the Common Shares at: (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.

### Director Compensation Table

The following table provides information regarding compensation paid to the Corporation’s directors, other than the NEOs, during the Last Financial Year:

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Eric Szustak	35,400	670 <sup>(2)</sup>	Nil	N/A	N/A	N/A	36,070
Ross Geddes	18,900	Nil	Nil	N/A	N/A	N/A	18,900
Anthony Roodenburg	19,900	Nil	Nil	N/A	N/A	N/A	19,900
Susan Lambie	Nil	Nil	Nil	N/A	N/A	N/A	Nil

Notes:

- (1) Mr. Dent was a director and a Named Executive Officer during the Last Financial Year. Any compensation received by him in his capacity as director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) The Corporation paid four quarterly dividends of \$0.00125 per Common Share during The Last Financial Year: on February 25, 2021, May 28, 2021, August 27, 2021 and November 26, 2021.. In lieu of the cash dividends, the Corporation granted to Mr. Szustak 926 DSUs at a deemed price of \$0.18 for an aggregate value of \$167 on February 25, 2021, 907 DSUs at a deemed price of \$0.185 for an aggregate value of \$168 on May 28, 2021, 907 DSUs at a deemed price of \$0.18 for an aggregate value of \$168 on August 27, 2021, and 939 DSUs at a deemed price of \$0.16 for an aggregate value of \$167 on November 26, 2021.

## Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director outstanding as of December 31, 2021:

### Outstanding Share Awards and Options Awards

Name <sup>(1)</sup>	Option-based Awards				Share-based Awards		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Eric Szustak	375,000 340,000	0.13 0.19	August 25, 2025 May 31, 2026	\$5,625 Nil	Nil Nil	Nil Nil	Nil Nil
Ross Geddes	225,000 200,000	0.13 0.19	August 25, 2025 May 31, 2026	\$3,375 Nil	Nil Nil	Nil Nil	Nil Nil
Anthony Roodenburg	225,000 200,000	0.13 0.19	August 25, 2025 May 31, 2026	\$3,375 Nil	Nil Nil	Nil Nil	Nil Nil
Susan Lambie	Nil	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) Mr. Dent was a director and a Named Executive Officer during the Last Financial Year. Any compensation received by him in his capacity as director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Calculated based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the CSE on December 31, 2021 of 0.145.

The following table provides information regarding the value vested or earned on incentive plan awards for each director during the Last Financial Year:

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

Name <sup>(1)</sup>	Option awards – Value vested during the year (\$) <sup>(2)</sup>	Share awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Eric Szustak	Nil	\$670.00	Nil
Ross Geddes	Nil	Nil	Nil
Anthony Roodenburg	Nil	Nil	Nil
Susan Lambie	Nil	Nil	Nil

**Notes:**

- (1) Mr. Dent was a director and a Named Executive Officer during the Last Financial Year. Any compensation received by him in his capacity as director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Based on the number of options that vested during the Last Financial Year and Calculated Based on the difference between the market price of the Common Shares on the CSE and the exercise price of the options on the vesting date. Any unexercised options may never be exercised and an actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### *Equity Compensation Plan Information*

The following table provides details of the equity securities of the Corporation authorized for issuance as of the Last Financial Year pursuant to the Corporation's equity compensation plans currently in place:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	8,268,868	0.16	1,735,442
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	8,268,868 <sup>(2)</sup>		1,735,442

**Notes:**

- (1) Based on a total of 4,740,000 stock options and 3,528,868 DSUs issuable pursuant to the Stock Option Plan and DSU Plan as at December 31, 2021.
- (2) Representing approximately 8.3% of the issued and outstanding Common Shares as of December 31, 2021.

## MATTERS TO BE ACTED UPON

### **Financial Statements**

The Corporation's audited annual financial statements for the Last Financial Year and the report of the auditors thereon will be placed before shareholders at the Meeting, but no vote thereon is required. These documents are available upon request from the Corporation and they can also be found under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Appointment of Auditors**

MNP LLP ("MNP") are the independent registered certified auditors of the Corporation. MNP was first appointed as auditors of the Corporation on January 7, 2014. Management of the Corporation intends to nominate MNP for re-appointment as auditors of the Corporation.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to re-appoint MNP to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix their remuneration as such. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the appointment of MNP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditors.**

### **Election of Directors**

At the Meeting, the following five (5) persons named hereunder will be proposed for election as directors of the Corporation. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next

annual meeting of Shareholders, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.**

The following table, among other things, sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the approximate number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them.

Name, Province or State and Country of Residence	Date First Became a Director	Present Principal Occupation and/or Positions Held During the Preceding Five Years	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)</sup>
Roger Dent <sup>(2)(3)</sup> <i>Ontario, Canada</i>	October 29, 2013	Chief Executive Officer of the Corporation and Portfolio manager with Matrix Fund Management Inc.	6,048,500 <sup>(4)</sup>
Eric Szustak <sup>(2)(3)</sup> <i>Ontario, Canada</i>	June 27, 2013	Chairman and Corporate Secretary of the Corporation.	1,014,500
Ross Geddes <sup>(3)</sup> <i>Ontario, Canada</i>	June 24, 2015	Finance Professor at Sheridan College (2005 – Present)	100,000
Anthony Roodenburg <sup>(2)</sup> <i>Ontario, Canada</i>	June 24, 2015	CEO of Greencastle Resources Ltd. (1996 – Present)	1,500,000 <sup>(5)</sup>
Susan Lambie <i>Ontario, Canada</i>	November 26, 2021	Former President of the Women's Auxiliary Volunteers at Toronto Sickkids Hospital; Former President of the Parent Association at the Bishop Strachan School; Former Director in Institutional Equity Sales at CIBC World Markets	7,000,000

**Notes:**

- (1) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee. Anthony Roodenburg is the Chairman.
- (3) Member of the Compensation & Corporate Governance Committee. Ross Geddes is the Chairman.
- (4) 783,000 Common Shares included in this figure are controlled by Mr. Dent and beneficially owned by Theresa Dent. A related person to Mr. Dent, Susan Lambie, a director of the Corporation, is the beneficial holder of 7,000,000 Common Shares as disclosed in the table above. In virtue of Mrs. Lambie and Mr. Dent being related persons, Mr. Dent may be considered to exercise direction and control over an aggregate total of 13,048,500 Common Shares, which number includes 5,265,500 Common Shares beneficially owned by Mr. Dent, 7,000,000 Common Shares beneficially owned by Mrs. Lambie and 783,000 Common Shares beneficially owned by Theresa Dent.
- (5) Common Shares are beneficially owned by Greencastle Resources Ltd. Mr. Roodenburg is the Chief Executive Officer of Greencastle Resources Ltd. and has control and direction over such Common Shares on an indirect basis.



As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 15,563,000 Common Shares, representing approximately 15.8% of the issued and outstanding Common Shares as of the date hereof.

### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Other than as set forth below, no director or executive officer of the Corporation, is, as at the date hereof, or has been, within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade or similar order, or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

Keith Li was a CFO of Beleave Inc., a CSE-listed company, from April 13, 2020, to April 17, 2020, which has been subject to a cease trade order issued by the Ontario Securities Commission on April 17, 2020, for failure to file certain continuous disclosure materials as required by Ontario securities law, as the previously filed financial statements were incomplete and omitted various required disclosures. The cease trade order expired on May 2, 2020, and the securities of Beleave Inc. were reinstated for trading on the CSE on May 4, 2020.

Keith Li has been a CFO of BitRush Corp. since December 19, 2018, which has been subject to a cease trade order issued by the Ontario Securities Commission since December 2, 2016. The Ontario Securities Commission issued a partial revocation order on April 29, 2019, in respect of the cease trade order, pursuant to which BitRush Corp. was permitted to undertake a private placement and complete certain other securities issuances. The cease trade order was revoked on May 21, 2021.

Other than as set forth below, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Corporation) 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
- (b) has, within the ten years before the date hereof, 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 director, executive officer or shareholder.

Other than as set forth below, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Pursuant to the terms of a settlement agreement dated December 17, 2001 between Mr. Roger Dent and the Ontario Securities Commission, Mr. Dent received a reprimand and agreed to pay a penalty of \$50,000 plus \$10,000 in costs to the Ontario Securities Commission in connection with certain trades in which he was involved while in a conflict of interest position as a result of being an officer and director of Yorkton Securities Inc.

### **Other Matters**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

## **STATEMENT OF CORPORATE GOVERNANCE**

### **Board of Directors**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

NI 58-101 defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of five (5) directors being Roger Dent, Eric Szustak, Ross Geddes, Anthony Roodenburg, and Susan Lambie. Messrs. Geddes, Szustak and Roodenburg are independent within the meaning of NI 58-101. Mr. Dent is not independent as he is an officer of the Corporation and thereby has a “material relationship” with the Corporation. Ms. Lambie is not independent as she is an immediate family member of Mr. Dent, who is an officer of the Corporation, and thereby has a “material relationship” with the Corporation. All of the current directors will be running for re-election.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance.

### **Other Public Company Directorships**

The following Board members and Board nominees currently hold directorships in another reporting issuer as set forth below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Market</b>
Roger Dent	Deveron UAS Corp.	TSX-V
	California Nanotechnologies Corp.	TSX-V
	AcuityAds Holdings Inc.	TSX-V
	Vitalhub Corp.	TSX-V
	Omni-Lite Industries Canada Inc.	TSX-V
Eric Szustak	Stone Gold Inc.	TSX-V
	Bigstack Opportunities I Inc.	TSX-V
Anthony Roodenburg	Greencastle Resources Ltd.	TSX-V
	Labrador Gold Corp.	TSX-V
Ross Geddes	N/A	N/A
Susan Lambie	N/A	N/A

### **Orientation and Continuing Education of Board Members**

The Board, together with the Compensation & Corporate Governance Committee is responsible for providing a comprehensive orientation and education program for new directors which fully sets out:

- the role of the Board and its committees;
- the nature and operation of the business of the Corporation; and
- the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board, together with the Compensation & Corporate Governance Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.

### **Ethical Business Conduct**

In addition to those matters which, by law, must be approved by the Board, the approval of the Board is required for:

- the Corporation's annual business plan and budget;
- material transactions not in the ordinary course of business; and
- transactions which are outside of the Corporation's existing business.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

### **Nomination of Directors**

The Board holds the responsibility for the appointment and assessment of directors.

When considering candidates for the role of director, the Board takes into account a number of factors, including the following (although candidates need not possess all of the following characteristics and not all factors are weighted equally):

- personal qualities and characteristics, accomplishments and reputation in the business community;
- current knowledge and contacts in the countries and/or communities in which the Corporation does business and in the Corporation's industry sectors or other industries relevant to the Corporation's business; and
- ability and willingness to commit adequate time to Board and committee matters, and be responsive to the needs of the Corporation.

The Board will periodically assess the appropriate number of directors on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of the Board is expanded, the Board will consider various potential candidates for director. Candidates may come to the attention of the Board through current directors or management, stockholders or other persons. These candidates will be evaluated and may be considered at any point during the year.

### **Diversity Policy**

The Corporation's senior management and Board have varying backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a broad range of talent and cumulative experience. The Board considers merit as the essential requirement for board and executive appointments, and as such, it has not adopted any specific target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, "**members of designated groups**") on the Board or in senior management roles.

The Corporation has not adopted a written diversity policy and seeks to attract and maintain diversity at the executive and Board levels' informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Board as a whole for consideration. Although the level of representation of members of designated groups is one of the many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most qualified individuals. As of the date of this Circular, one of the Corporation's five directors is a woman. No other members of designated groups currently hold positions on the Board or in senior management.

### **Director Term Limits**

The Corporation does not have a policy that limits the term of the directors on its Board and has not provided other mechanisms of Board renewal. At this time, the Board does not believe that it is in the best interests of the Corporation to establish term limits on a director's mandate or a mandatory retirement age. The Board is of the opinion that term limits may disadvantage the Corporation through the loss of beneficial contributions of directors who have developed increasing knowledge of the Corporation, its operations, and the industry over a period of time.

### **Compensation & Corporate Governance**

The Compensation & Corporate Governance Committee assists the Board in its oversight role with respect to (i) the Corporation's global human resource strategy, policies and programs, and (ii) all matters relating to the proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation. The Compensation & Corporate Governance Committee is currently comprised of Ross Geddes (Chairman), Roger Dent and Eric Szustak.

The Compensation & Corporate Governance Committee:

- reviews and makes recommendations to the Board at least annually regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based

plans, bonus plans, pension plans (if any), executive stock option plans including the Stock Option Plan and grants and benefit plans;

- has sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention;
- reviews and approves at least annually all compensation arrangements with the senior executives of the Corporation;
- reviews and approves at least annually all compensation arrangements with the directors of the Corporation; and
- reviews the executive compensation sections disclosed in annual management proxy circular distributed to the shareholders in respect of the Corporation’s annual meetings of Shareholders.

The Corporation believes that it has adopted corporate governance procedures and policies which encourage ethical behaviour by the Corporation’s directors, officers and employees.

**Other Board Committees**

The Board has no standing committees other than the Audit Committee and the Compensation & Corporate Governance Committee.

**Assessments**

The Board does not consider formal assessments useful given the stage of the Corporation’s business and operations. However, the Chairman of the Board meets annually with each director individually, which facilitates a discussion of his contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the Chairman of the Board is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by the Board. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

**AUDIT COMMITTEE INFORMATION**

**The Audit Committee’s Charter**

The directors of the Corporation have adopted a Charter for the Audit Committee, which sets out the Audit Committee’s mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Appendix “A” to this Circular.

**Composition of the Audit Committee**

The members of the Audit Committee are Anthony Roodenburg (Chairman), Roger Dent and Eric Szustak. Messrs. Roodenburg and Szustak are independent (as defined in National Instrument 52-110 – *Audit Committees* (“NI 52-110”) adopted by the Canadian Securities Administrators), while Mr. Dent is not independent as he is an officer of the Corporation, and all members are financially literate (as defined in NI 52-110).

<b>Name of Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Anthony Roodenburg (Chair)	Yes	Yes
Eric Szustak	Yes	Yes
Roger Dent	No	Yes

**Notes:**

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Corporation. A “material relationship” is a relationship which could, in the view of the Board of the Corporation, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Committee must 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.

**Relevant Education and Experience**

*Anthony Roodenburg*

Mr. Roodenburg began his career in capital markets and finance in 1987 as an Investment Executive with National Bank Financial ("NBF"). Since leaving NBF in 1991, Mr. Roodenburg has been involved in the creation and financing of several start-up companies and has served as an officer and director of a number of public companies, primarily in the mineral exploration industry.

*Eric Szustak*

Mr. Szustak is a CPA, CA with over 36 years of financial service, business development, marketing, accounting, and CFO experience. Mr. Szustak has worked at both small and large accounting firms advising a wide range of businesses. He has been involved in various small cap Public companies during his career.

*Roger Dent*

Mr. Dent has been involved in the Canadian financial markets for over 30 years and has extensive experience in "small cap" evaluation and investment. Most recently, he was a noted portfolio manager with Matrix Fund Management Inc., where he guided the Matrix Small Companies Fund and the Matrix Strategic Small Cap Fund. Previously, he was Vice Chairman of one of Canada's largest independent investment dealers. He was formerly the #1 ranked Small Cap Analyst according to the Brendan Wood institutional investor survey.

**Audit Committee Oversight**

At no time during the Last Financial Year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the external auditors of the Corporation not been adopted by the Board.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

**External Auditor Services Fees (By Category)**

The following table discloses the fees billed to the Corporation by its external auditor during the last two completed financial years:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
December 31, 2021	\$120,000	Nil	\$6,500	Nil
December 31, 2020	\$110,000	Nil	\$5,500	Nil

**Notes:**

- (1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation’s annual financial statements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the “Audit Fees” column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

### **Exemption**

Since the Corporation is a “Venture Issuer” pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

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

During the year ended December 31, 2021, no director, executive officer or associate of any director or executive officer of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

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

Since the commencement of the Corporation’s Last Financial Year, no informed person of the Corporation, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

### **ADDITIONAL INFORMATION**

#### **Normal Course Issuer Bid**

On August 20, 2020, the Corporation announced a normal course issuer bid (the “**2020 Bid**”) authorizing the Corporation to purchase up to 5,446,952 Common Shares, representing approximately 5% of the outstanding Common Shares as of August 20, 2020. The 2020 Bid commenced on August 28, 2020 with purchases being made on the open market through the facilities of the CSE. The bid was fully exercised as of the date hereof.

On August 26, 2021 the Corporation announced a new bid (the “**2021 Bid**”) via press release to purchase up to 5,174,605 Common Shares, of which 2,609,5000 have been repurchased as of the date hereof. The 2021 Bid commenced on August 31, 2021 with purchases being made on the open market through the facilities of the CSE.

Additional information relating to the Corporation may be found under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Inquiries including requests for copies of the Corporation’s financial statements and management’s discussion and analysis for the year ended December 31, 2021 may be directed to the Corporation by telephone at 905.330.7948. Additional financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for the year ended December 31, 2021, which is also available on SEDAR.

### **APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

“*Roger Dent*”

Roger Dent  
Chief Executive Officer and Director

## APPENDIX “A” AUDIT COMMITTEE CHARTER

### *The Audit Committee Charter*

#### **Mandate**

##### Role and Objectives

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Quinsam Capital Corporation (the “**Corporation**”) established for the purpose of overseeing the accounting and financial reporting process of the Corporation, the external audits of the consolidated financial statements of the Corporation and the relationship with the external auditor. In connection therewith, the Committee assists the Board in fulfilling its oversight responsibilities in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, financial reporting and statements and the nature and scope of the annual external audit. The Committee also recommends for Board approval the Corporation's audited annual and unaudited quarterly consolidated financial statements and other mandatory financial disclosure.

The Corporation's external auditor reports formally to the shareholders of the Corporation. The external auditor shall also present its more detailed audit findings (including any recommendations for improvements to accounting systems, procedures and internal controls) directly to the Committee. The Committee shall be directly responsible for overseeing the relationship with the external auditor. The Committee shall have such access to the external auditor as it considers necessary or desirable in order to perform its duties and responsibilities.

The objectives of the Committee are as follows:

1. to be satisfied with the credibility and integrity of financial reports;
2. to support the Board in meeting its oversight responsibilities in respect of the preparation and disclosure of financial reporting, including the consolidated financial statements of the Corporation;
3. to facilitate communication between the Board and the external auditor and, to receive on behalf of the Board the reports of the external auditor concerning the detailed findings of the external audit directly from the external auditor;
4. to be satisfied with the external auditor's independence and objectivity; and
5. to strengthen the role of independent directors by facilitating in-depth discussions between members of the Committee, management and the Corporation's external auditor.

##### Composition

1. Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation.
2. Each Committee member shall satisfy the financial literacy and experience requirements of applicable securities laws, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.
3. The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information respecting the Corporation and its subsidiaries and associates as it considers to be necessary or advisable in order to perform its duties and responsibilities.



## Meetings

1. At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.
2. A quorum for meetings of the Committee shall be a majority of its members.
3. Meetings of the Committee shall be scheduled as it deems appropriate. The Committee may hold *in camera* sessions of the Committee, without management present, at every meeting.
4. The Committee shall report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee shall meet as it deems appropriate with the Corporation's external auditor, part or all of each such meeting to be in the absence of management.

## ***Responsibilities***

Review with management all interim consolidated financial statements of the Corporation and related financial reporting including Management's Discussion and Analysis and any earnings press releases (collectively "**Quarterly Financial Disclosure**") and, if thought fit, approve all Quarterly Financial Disclosure.

As discussed above, the Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of the Corporation and external audits of the Corporation's consolidated financial statements. In that regard, the Committee shall:

1. Satisfy itself on behalf of the Board with respect to the Corporation's internal control systems including identifying, monitoring and mitigating business risks as well as compliance with legal, ethical and regulatory requirements. The Committee shall also review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of the Corporation (on a consolidated basis), and the manner in which these matters may be, or have been, disclosed in the financial statements;
2. Review with management and the external auditor the annual consolidated financial statements of the Corporation, the reports of the external auditor thereon and related financial reporting, including Management's Discussion and Analysis and any earnings press releases (collectively, "**Annual Financial Disclosure**") prior to their public disclosure. This process should include, but not be limited to:
  - a. reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future year's financial statements;
  - b. reviewing financial statements and all items raised by the external auditor, whether or not included in the financial statements; and
  - c. reviewing unresolved differences between the Corporation and the external auditor.

Following such review, the Committee shall recommend to the Board for approval all Annual Financial Disclosure;

3. 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, other than Annual Financial Disclosure or Quarterly Financial Disclosure, and shall periodically assess the adequacy of those procedures;
4. Review with management and recommend to the Board for approval any financial statements of the Corporation which have not previously been approved by the Board and which are to be included

- in a prospectus of the Corporation;
5. If the Corporation files an annual information form under applicable securities laws review with management and recommend to the Board for approval, the Corporation's annual information form;
  6. With respect to the external auditor:
    - a. consider and make a recommendation to the Board as to the appointment or reappointment of the external auditor, being satisfied that such auditor is a participant in good standing pursuant to applicable securities laws;
    - b. review the terms of engagement of the external auditor, including the appropriateness and reasonableness of the auditor's fees, and make a recommendation to the Board as to the compensation of the external auditor;
    - c. when there is to be a replacement of the external auditor, review with management the reasons for such replacement and the information to be included in any required notice to securities regulators and recommend to the Board for approval the replacement of the external auditor along with the content of any such notice;
    - d. oversee the work of the external auditor in performing its audit or review services and oversee the resolution of any disagreements between management and the external auditor;
    - e. as may be required by applicable securities laws, either:
      - i. pre-approve all non-audit services to be provided by the external auditor to the Corporation (and its subsidiaries, if any), or, in the case of *de minimis* non-audit services, approve such non-audit services prior to the completion of the audit; or
      - ii. adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services; and
    - f. review and approve the hiring policies of the Corporation regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;
  7. 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; and
  8. Engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any such advisors.