



bluesky
DIGITAL ASSETS

**NOTICE OF THE ANNUAL GENERAL MEETING OF
SHAREHOLDERS**



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of holders of common shares (the “**Shareholders**”) of the Bluesky Digital Assets Corp. (the “**Corporation**”) to be held at the offices of the Corporation’s legal counsel Garfinkle Biderman LLP, located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, Canada M5C 2V9 and broadcast via teleconference at (416) 874-8100, conference code 5640789 on November 29, 2021, at 10:00 am (Toronto time) for the following purposes:

1. to present the audited consolidated financial statements of the Corporation for the years ended December 31, 2020, and 2019, together with the report of the auditors thereon;
2. to re-appoint Davidson & Company LLP as auditors of the Corporation for the ensuing year and authorize the board of directors of the Corporation (the “**Board**”) to fix their remuneration;
3. to elect directors of the Corporation to hold office until the next annual meeting of Shareholders;
4. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

For a more detailed discussion of the above listed items, please see “Particulars of Matters to Be Acted upon at the Meeting” in the accompanying Circular.

This notice of meeting (the “**Notice of Meeting**”) should be read together with the management information circular (“**Circular**”) and form of proxy (the “**Form of Proxy**”) or a voting instruction form (“**VIF**”), as applicable. The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* (the “**Notice-and-Access Provisions**”) of the Canadian Securities Administrators for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders of the Corporation by allowing the Corporation to post its Circular and any additional materials online. Shareholders who would like more information about the Notice-and-Access Provisions may contact the Corporation’s transfer agent, TSX Trust Company, at 1 (416) 361-0930 or toll free at 1 866 600-5869. **Please see “Notice-and-Access” in the accompanying Circular.**

The Circular and all additional materials have been posted in full online at <https://www.tsxtrust.com/> and under the Corporation’s SEDAR profile at www.sedar.com. **Shareholders are reminded to carefully review the Circular and any additional materials prior to voting on the matters being transacted at the Meeting.** Copies of: (i) this Notice of Meeting; (ii) the Circular; (iii) the Form of Proxy; and (iv) the audited consolidated financial statements of the Corporation and accompanying management discussion and analysis, may be obtained free of charge by contacting TSX Trust Company at: (a) 100 Adelaide St W #301, Toronto, ON M5H 1S3; (b) by phone at 1 (416) 361-0930 or toll free at 1 866 600-5869; (c) by emailing a request to TMXInvestorServices@tmx.com; or (d) online at <https://www.tsxtrust.com/>. In order to ensure that a paper copy of the Circular and additional materials can be delivered to a Shareholder in time for such Shareholder to review the Circular and return a Form of Proxy (or a VIF) prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than November 8, 2021.

Shareholders may attend the Meeting in person or may be represented by proxy. Shareholders unable to attend the Meeting or any adjournment(s) thereof in person are requested to date, sign and return the enclosed Form of Proxy to the Corporation's registrar and transfer agent, TSX Trust Company, located at: 100 Adelaide St W #301, Toronto, ON M5H 1S3. To be effective, a proxy must be received not later than 10:00 a.m. (Toronto time) on November 25, 2021, or in the event that the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) immediately preceding any adjournment(s) or postponement(s) thereof. Instead of mailing your proxy, Shareholders may choose to vote using the Internet in accordance with the instructions set out in the Form of Proxy.

COVID -19

This year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of COVID-19, and to mitigate the risks to the health and safety of our communities, Shareholders, employees and other stakeholders, although we plan to hold an in-person meeting, **we strongly recommend that you DO NOT attend the Meeting in person, particularly if you are experiencing any of the described COVID-19 symptoms or if you or someone with whom you have been in close contact has travelled to/from outside Ontario within the 14 days prior to the Meeting.** We intend to quickly deal with the business at hand and there will be no refreshments or additional presentations at the Meeting. COVID-19 is causing unprecedented social and economic upheaval and we want to ensure that no one is unnecessarily exposed to any risks.

We may take additional precautionary measures in relation to the Meeting in response to further developments with COVID-19. In the event it is not possible or advisable to hold the Meeting in person, we will announce alternative arrangements for the Meeting as promptly as practicable, which may include delaying the Meeting. If you are a registered Shareholder or appointed proxyholder and are planning to attend the Meeting, please notify the Corporation within a minimum of five (5) business days' in advance of the Meeting by either (i) the email address sigelman@garfinkle.com or (ii) the phone number 1-416 869-7664.

Public health restrictions and recommendations in place at the time of the Meeting may require the Corporation to restrict the number of people in attendance at the Meeting and therefore physical attendance by a Shareholder or appointed proxyholder may not be possible

The Board has fixed the close of business on October 8, 2021, as the record date (the "Record Date") for the determination of the Shareholders entitled to notice of, and to vote at, the Meeting, and any adjournment or postponement thereof. Only Shareholders of record at the close of business on the Record Date will be entitled to vote at the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion. The Chairman is under no obligation to accept or reject any particular late proxy. If you vote by the Internet, do not mail back your proxy. Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the management nominees named on the Form of Proxy. Non-registered Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a VIF.

DATED at Toronto, Ontario, this 8th day of October, 2021.

BY ORDER OF THE BOARD OF DIRECTORS OF BLUESKY DIGITAL ASSETS CORP.

/s/ Frank Kordy
Frank Kordy
Secretary and Director



bluesky
DIGITAL ASSETS

MANAGEMENT INFORMATION CIRCULAR

MANAGEMENT INFORMATION CIRCULAR

BLUESKY DIGITAL ASSETS CORP.

First Canadian Place | 100 King Street West, Suite 5700
Toronto, Ontario | M5X 1C9

SOLICITATION OF PROXIES

This management information circular (this “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Bluesky Digital Assets Corp. (the “**Corporation**” or “**we**”) to be voted at the annual general and special meeting (the “**Meeting**”) of holders of common shares (“**Common Shares**”) of the Corporation (the “**Shareholders**”) to be held at the offices of the Corporation’s legal counsel Garfinkle Biderman LLP, located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, Canada M5C 2V9 and broadcast via teleconference at (416) 874-8100, conference code 5640789 on November 29, 2021, at 10:00 am (Toronto time) , and at any adjournment(s) or postponement(s) thereof.

In this Circular, all information provided is current as of October 8, 2021, unless otherwise indicated. All references to “\$” are to Canadian dollars.

This Circular is furnished in connection with the solicitation, by or on behalf of the management of the Corporation, of proxies to be used at the Meeting. The Corporation will use the Notice-and-Access Provisions (as defined below) to conduct the solicitation of proxies in connection with this Circular. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers and employees of the Corporation without special compensation, or by the Corporation’s registrar and transfer agent, TSX Trust Company (the “**Transfer Agent**”), at nominal cost. The cost of any such solicitation will be borne by the Corporation. Arrangements have been made with brokerage houses and other Intermediaries (as defined below), clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial Shareholders of record as of the Record Date (as defined below).

NOTICE-AND-ACCESS

The Corporation has elected to deliver the materials in respect of the Meeting pursuant to the notice-and-access provisions (the “**Notice-and-Access Provisions**”) concerning the delivery of proxy-related materials to Shareholders, found in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations*, in the case of registered Shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), in the case of beneficial Shareholders. The Notice-and-Access Provisions are a set of rules that reduce the volume of proxy-related materials that must be physically mailed to shareholders by allowing issuers to deliver meeting materials to shareholders electronically by providing shareholders with access to these materials online.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting the Circular (and if applicable, other materials) electronically on a website that is not the System for Electronic Document Analysis and Retrieval (“**SEDAR**”), the Corporation must send the notice of meeting (the “**Notice of Meeting**”) to Shareholders, including beneficial Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Corporation.

In accordance with the Notice-and-Access Provisions, the Notice of Meeting and a form of proxy (the “**Form of Proxy**”) or voting instruction form (the “**VIF**”), as applicable, have been sent to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. This Circular has been posted in full under the Corporation’s SEDAR profile at www.sedar.com and <https://docs.tsxtrust.com/2267>.

The Corporation will cause its Transfer Agent to deliver copies of the proxy-related materials to the Non-Objecting Beneficial Owners (“**NOBOs**”). The Corporation intends to pay for the Intermediaries to deliver to Objecting Beneficial Owners (“**OBOs**”) the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of NI 54-101.

Any Shareholder who wishes to receive a paper copy of this Circular free of charge must contact the Transfer Agent at: (a) 100 Adelaide Street West, Suite 301, Toronto, ON M5H 4H1; (b) by phone at 1-866-600-5869; or (c) by emailing a request to TMXInvestorServices@tmx.com. In order to ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Circular and return a Form of Proxy or VIF prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than November 8, 2021.

COVID-19

This year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of COVID-19, and to mitigate the risks to the health and safety of our communities, Shareholders, employees and other stakeholders, and although we plan to hold an in-person meeting, **we strongly recommend that you DO NOT attend the Meeting in person, particularly if you are experiencing any of the described COVID-19 symptoms or if you or someone with whom you have been in close contract has travelled to/from outside Ontario within the fourteen (14) days prior to the Meeting.** We intend to quickly deal with the business at hand and there will be no refreshments or additional presentations at the Meeting. COVID-19 is causing unprecedented social and economic upheaval and we want to ensure that no one is unnecessarily exposed to any risks.

We may take additional precautionary measures in relation to the Meeting in response to further developments with COVID-19. In the event it is not possible or advisable to hold the Meeting in person, we will announce alternative arrangements for the Meeting as promptly as practicable, which may include delaying the Meeting or holding the Meeting entirely by electronic means, telephone or other communication facilities. **If you are a registered Shareholder or appointed proxyholder and are planning to attend the Meeting, please notify the Corporation within a minimum of five (5) business days’ in advance of the Meeting by either (i) the email address sigelman@garfinkle.com or (ii) the phone number 1-416-869-7664.**

Public health restrictions and recommendations in place at the time of the Meeting may require the Corporation to restrict the number of people in attendance at the Meeting and therefore physical attendance by a Shareholder or appointed proxyholder may not be possible.

REGISTERED SHAREHOLDERS

A Shareholder is a registered Shareholder (a “**Registered Shareholder**”) if shown on the register of holders of Common Shares at the close of business on October 8, 2021 (the “**Record Date**”). In accordance with the Notice-and-Access Provisions, a Notice of Meeting and a Form of Proxy has been sent to all Registered Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. All references to Shareholders in this Circular, the Form of Proxy and Notice of Meeting are to Registered Shareholders of record on the Record Date, unless specifically stated otherwise.

Appointment of Proxy

Whether or not you expect to attend the Meeting, please exercise your right to vote. Shareholders who have voted by proxy may still attend the Meeting. Please complete and return the Form of Proxy in the envelope provided. The Form of Proxy must be dated and executed by the Registered Shareholder or the attorney of such Shareholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the Transfer Agent in the envelope provided or otherwise to TSX Trust Company at: 100 Adelaide Street West, Suite 301, Toronto, ON M5H 4H1, **not later than 10:00 a.m. (Toronto time) on**

November 25, 2021, or forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to any adjournment(s) or postponement(s) thereof. Alternatively, Registered Shareholders may choose to vote using the Internet in accordance with the instructions set out in the Form of Proxy. Voting by mail or Internet are the only methods by which a Registered Shareholder may appoint a person as proxyholder other than the management nominees named on the Form of Proxy. Registered Shareholders and NOBOs can vote their Common Shares online prior the proxy cut-off at <https://www.voteproxyonline.com/pxlogin>. OBOs can vote their Common Shares online prior to the proxy cut-off in accordance with the instructions provided on the VIF.

The persons named in the Form of Proxy are directors and officers of the Corporation. A Shareholder may appoint as proxyholder a person or company (who need not be a Shareholder), other than those persons named in the Form of Proxy, to attend and act on such Shareholder's behalf at the Meeting or at any adjournment(s) or postponement(s) thereof. Such right may be exercised by either inserting such other desired proxyholder's name in the blank space provided on the Form of Proxy or by completing another proper form of proxy.

Revocation of Proxy

A Registered Shareholder who has given a proxy pursuant to this solicitation may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by the Shareholder or by the attorney of such Shareholder authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the Transfer Agent, on or before the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof at which the Form of Proxy is to be used or with the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof, or in any other manner permitted by law.

NON-REGISTERED SHAREHOLDERS

Only Registered Shareholders or their duly appointed proxy holders are permitted to vote at the Meeting. Most Shareholders are "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 or a clearing agency or other securities intermediary. More particularly, a person is not a Registered Shareholder if shares are held on behalf of that person (the "**Non-Registered Shareholder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency, such as the Canadian Depository for Securities Limited ("**CDS**"), of which the Intermediary is a participant. In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the proxy-related materials to the Transfer Agent for onward distribution to Non-Registered Shareholders.

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

- (i) 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 Common Shares beneficially owned by the Non-Registered Shareholder, but which is otherwise not completed. 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 Form of Proxy. In this case, the Non-Registered Shareholder who wishes to submit an instrument of proxy should otherwise properly complete the Form of Proxy and deposit it with the Corporation as provided above; or

- (ii) more typically, be given a VIF 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 which the Intermediary must follow. Typically, the VIF will consist of a one-page, pre-printed form. Sometimes, instead of the one-page, pre-printed form, the VIF will consist of a regular printed Form of Proxy accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the Form of Proxy to validly constitute a proxy authorization 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 return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of the management's representatives named in the Form of Proxy and insert the Non-Registered Shareholder's name in the blank space provided.

The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the VIFs or Forms of Proxy to the Non-Registered Shareholders and asks the Non-Registered Shareholders to return the VIFs or Forms of Proxy to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions with respect to the voting of Common Shares to be represented at the Meeting by such Intermediary. A Non-Registered Shareholder receiving a VIF from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. If you have any questions with respect to the voting of Common Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. Non-Registered Shareholders should carefully follow the instructions on the Form of Proxy or VIF that they receive from their Intermediary in order to vote the Common Shares that are held through that Intermediary.

Revocation of Voting Instructions

A Non-Registered Shareholder giving voting instructions may revoke such voting instructions by contacting his or her Intermediary in respect of such voting instructions and complying with any applicable requirements imposed by such Intermediary. An Intermediary that has submitted a Form of Proxy based on voting instructions received from a Non-Registered Shareholder may not be able to revoke a Form of Proxy if it receives insufficient notice of revocation.

VOTING OF PROXIES

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by management of the Corporation in the Form of Proxy will be voted or withheld from voting in accordance with the instructions given on the Form of Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of such instructions, such Common Shares will be voted FOR the approval of all resolutions in this Circular.**

The Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s)

thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendments or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment(s) or postponement(s) thereof, the Common Shares represented by properly executed proxies given in favour of the persons designated by management of the Corporation in the Form of Proxy will be voted on such matters in accordance with the best judgment of the named proxies.

VOTING OF COMMON SHARES AND PRINCIPAL SHAREHOLDERS THEREOF

Record Date

The Record Date for the purpose of determining the Shareholders entitled to receive notice of and vote at the Meeting has been fixed as October 8, 2021. All Shareholders of record at the close of business on the Record Date are entitled to vote the Common Shares registered in such Shareholder's name at that date on each matter to be acted upon at the Meeting.

Description of Voting Securities

As of the Record Date, the Corporation had 45,683,466 issued and outstanding Common Shares. Each Common Share carries the right to one vote. The outstanding Common Shares of the Corporation are listed and posted for trading on the Canadian Securities Exchange ("**CSE**").

No other voting securities are issued and outstanding as of the Record Date.

Quorum

A quorum will be present at the Meeting if the holders of 10% of the shares entitled to vote at the Meeting, whether present in person or represented by proxy, are present at the opening of the Meeting.

Principal Shareholders

To the knowledge of the directors and officers of the Corporation, as at the date hereof, no person, firm 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 issued and outstanding Common Shares.

As of the Record Date, the directors and senior officers of the Corporation, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 2,662,294 Common Shares, representing approximately 5.83% of the issued and outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The Corporation's audited consolidated financial statements of the Corporation for the years ended December 31, 2020 and 2019 (the "**Annual Financial Statements**"), together with the report of the auditors thereon, are available under the Corporation's profile on SEDAR at www.sedar.com. At the Meeting, the Corporation will submit to Shareholders the Annual Financial Statements and the report of the auditors thereon. No formal action will be taken at the Meeting to approve the Annual Financial Statements.

2. Election of Directors

The Corporation currently has four (4) directors, and it is intended that such three (3) directors be re-elected for the ensuing year. The board of directors (the "**Board**") has determined that a board of three (3) members will be effective in the governance and supervision of the Corporation's business and affairs upon the

completion of the Meeting.

The following three (3) persons whose names are set out below (the “**Nominees**”) have been nominated by the Board for election as directors at the Meeting. Each elected director will hold office until the next annual meeting of Shareholders of the Corporation or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth the names and jurisdictions of residence of the Nominees for election as directors of the Corporation, the offices in the Corporation, if any, held by them, their principal occupations (for the past five (5) years) and the number of Common Shares beneficially owned, or over which control or direction is exercised. If any such individual should be unable or unwilling to serve, an event not presently anticipated, the persons named in the Form of Proxy will have the right to vote, at their discretion, for another nominee, unless a proxy withholds authority to vote for the election of directors:

Name and Municipality of Residence, Position with the Corporation	Present Principal Occupation If Different from Office Held & Principal Occupation for The Past 5 Years	Date Elected/Appointed Director ⁽¹⁾	Common Shares Owned or Over Which Control or Direction is Exercised ⁽²⁾
Ben Gelfand ⁽⁴⁾ Oakville, Ontario <i>CEO and Director</i>	Managing Director of Investments, Trapeze Capital	May 27, 2019	1,097,777 (2.4%)
Frank Kordy ⁽³⁾⁽⁴⁾ Brampton, Ontario <i>Secretary and Director</i>	Corporate Secretary & Director of the Corporation, and Secretary & Director of Advatangewon Oil Corp.	December 27, 2013	1,149,850 (2.5%)
Jakson Inwentash ⁽³⁾ Toronto, Ontario <i>Director</i>	Director & VP Investments at ThreeD Capital Inc	July 9, 2021	65,000 (0.14%)

Notes:

- (1) If elected, each Nominee’s term will continue until the next annual meeting of Shareholders at which time it will expire or until the Nominee resigns, becomes ineligible or unable to serve or until his or her successor is elected or appointed.
- (2) The number of Common Shares beneficially owned, or over which control or direction is exercised, not being within the direct knowledge of the Corporation, has been furnished by the respective Nominee or obtained from the System for Electronic Disclosure by Insiders and may include Common Shares owned or controlled by their spouses and/or children and/or companies controlled by them or their spouses and/or children.
- (3) Member of the Audit Committee (as defined below).
- (4) Member of CG&N Committee (as defined below).

The following are brief biographies of the Nominees:

Ben Gelfand (CEO and Director)

Mr. Gelfand began his career with Fidelity Investments in October 1987, and has worked for Merrill Lynch, TD Waterhouse and other prominent financial institutions in various sales, investment management, trading, private equity and investment banking roles. Mr. Gelfand earned his Bachelor’s degree in Political Science from Ohio University. Prior to his becoming CEO and a Director of the Corporation, Mr. Gelfand served as the Managing Director of Investment Banking at a Trapeze Capital, a Canadian investment firm. Mr. Gelfand previously served as a Director of Meryllion Resources Corp., (CSE: MYR).

Frank Kordy (Corporate Secretary and Director)

Mr. Kordy currently serves as the Secretary and as a Director of Bluesky Digital Assets Corp., (CSE: BTC), (OTCQB: BTCWF). Concurrently, Mr. Kordy also serves as the Secretary and as a Director of Advatagewon Oil Corp., (CSE: AOC), (OTC: ANTGF). From March 4, 2015 until September 4, 2019, Mr. Kordy served as the CEO of the Corporation, then known as Gunpowder Capital Corp. Since 1997, Mr.

Kordy has assisted numerous publicly traded companies in both Canada and the United States with their corporate communication, corporate disclosure, corporate financing, marketing and investor-relations endeavors. Mr. Kordy has successfully assisted several companies with their Canadian “go public” mandates. Furthermore, Mr. Kordy assists Canadian listed companies in gaining access to the United States capital trading markets by providing them guidance and navigating them through the over-the-counter markets listing process.

Jakson Inwentash (Director)

Mr. Inwentash is a Director and the VP Investments at ThreeD Capital Inc., where he manages and leads the trading of cryptocurrencies and focuses on identifying, researching, and meeting with early-stage companies in various disruptive industries. Previously, he worked in investment banking for Gravitas Securities Inc. Mr. Inwentash has also worked for the Bank of Montreal in several departments within the bank’s Wealth Management business; including ETF Products, Fundamental Equities, Private Banking, and InvestorLine. Mr. Inwentash holds a BBA from the University of Miami with a Major in Finance. Mr. Inwentash also holds a CFA designation.

At the Meeting, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee. Unless the Shareholder directs that his or her Common Shares are to be withheld from voting in respect of any particular Nominee or Nominees, the persons named in the Form of Proxy intend to vote FOR the election of each of the four (4) Nominees as directors of the Corporation.

Cease Trade Orders

Other than as described below, as at the date of this Circular, no Nominee of the Corporation is, or was within ten (10) years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

- (i) was subject to a cease trade order (“**CTO**”), an order similar to a cease trade 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 thirty (30) consecutive days, that was issued while the director, executive officer or promoter was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or
- (ii) was subject to a CTO, an order similar to a CTO 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 thirty (30) consecutive days, that was issued after the director, executive officer or promoter 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 director, chief executive officer or chief financial officer.

Frank Kordy

On May 8, 2014, Silver Shield Resources Corp. (“**Silver Shield**”), a corporation for which Mr. Kordy was a director and officer of, was subject to a CTO from the British Columbia Securities Commission (“**BCSC**”). Furthermore, Silver Shield received a CTOs from the Ontario Securities Commission (“**OSC**”) and Alberta Securities Commission (“**ASC**”) on May 20, 2014 and June 19, 2014, respectively. The three CTOs were issued for the following violations:

- (i) Silver Shield had failed to file its audited annual financial statements for the year ended December 31, 2013;
- (ii) Silver Shield had failed to file management’s discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2013; and
- (iii) Silver Shield had failed to file the certification of the foregoing filings as required by National

Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings.*

As of May 8, 2015, Silver Shield had filed all outstanding continuous disclosure documents required to be filed under Ontario securities law and is currently up to date in all of its required disclosure filings. As a result of this, on May 8, 2015, the BCSC, OSC and ASC granted full revocations of the respective CTOs that were previously filed against Silver Shield.

Penalties or Sanctions

As at the date of this Circular, no Nominee of the Corporation, is or has been, within ten (10) years prior to the date of this Circular, subject to:

- (i) 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
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a Nominee.

Bankruptcies

As of the date of this Circular, no Nominee of the Corporation:

- (i) is, at the date of this Circular, or has been within ten (10) years prior to the date of this Circular, 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
- (ii) has, within ten (10) years prior to the date of this Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

3. Re-Appointment of Auditor

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass, with or without variation, the resolution re-appointing Davidson & Company LLP as auditors of the Corporation as an ordinary resolution, subject to such amendments, variations, or additions as may be approved at the Meeting.

The Board recommends that Shareholders vote **FOR** the re-appointment of Davidson & Company LLP as auditors of the Corporation. To be effective, the resolution requires the affirmative vote of at least a majority of the votes cast by the Shareholders present in person, or represented by proxy, and entitled to vote at the Meeting. **Unless the Shareholder directs that his or her Common Shares are to be voted against the resolution, the persons named in the Form of Proxy intend to vote FOR the re-appointment of Davidson & Company LLP as auditors of the Corporation.**

4. Other Matters

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting and this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Circular, “**Named Executive Officer**” or “**NEO**” of the Corporation means the following individuals: (i) CEO; (ii) CFO; (iii) each of the Corporation’s next most highly compensated executive officer, or the next most highly compensated individual acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and (iv) each individual who would be a NEO under (iii) except that the individual was neither an executive officer of the Corporation nor acting in a similar capacity at the end of the most recently completed financial year.

For the year ended December 31, 2020, the Corporation’s NEOs consisted of Ben Gelfand, CEO and Director and Frank Kordy, Corporate Secretary, Interim CFO and Director.

Director and Named Executive Officer Compensation

The following table sets forth the compensation paid by the Corporation to each NEO and director for the two most recently completed financial years of the Corporation, excluding options and compensation securities (see “*Statement of Executive Compensation – Stock Options and Other Compensation Securities*” below):

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ben Gelfand Oakville, Ontario Canada <i>Director, CEO</i>	2020	\$158,200	\$16,950	Nil	Nil	Nil	\$175,150
	2019	\$44,000	Nil	Nil	Nil	Nil	Nil
Paul Haber ⁽¹⁾ Toronto, Ontario Canada <i>Former CFO</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	\$101,700	Nil	Nil	Nil	\$101,700(4)	\$203,400
Frank Kordy Brampton Ontario, Canada <i>Interim CFO Director, Secretary</i>	2020	\$108,480	\$5,000	Nil	Nil	\$25,000	\$138,480
	2019	\$76,000	Nil	Nil	Nil	Nil	\$76,000
Dan Collia Toronto, Ontario <i>Director</i>	2020	\$13,560	Nil	Nil	Nil	Nil	\$13,560
	2019	\$13,560	Nil	Nil	Nil	Nil	\$13,560

Stephen Mlot ⁽²⁾ Toronto, Ontario <i>Former Director</i>	2020 2019	Nil \$6,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil \$6,000
Anthony Pearlman ⁽³⁾ Toronto, Ontario COO	2020 2019	\$149,600 N/A	\$11,300 N/A	Nil N/A	Nil N/A	Nil N/A	\$160,900 N/A

Notes:

- (1) Mr. Haber resigned as CFO of the Corporation on September 30, 2019.
- (2) Mr. Mlot resigned as a Director of the Corporation on September 30, 2019.
- (3) Mr. Pearlman was appointed as the COO of the Corporation on October 23, 2020.
- (4) Mr. Haber received 6,780,000 pre-consolidated Common Shares @ \$0.015 CDN per Common Share as severance.

Stock Options and Other Compensation Securities

During the most recently completed financial year, the following Stock Options were issued to certain directors and officers of the Corporation at an exercise price of \$0.15 per common share.

Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of Issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Frank Kordy Brampton Ontario, Canada <i>Interim CFO, Director, Secretary</i>	Stock Options	300,000	November 11, 2020	\$0.15	\$0.11	\$0.49	November 11, 2023
Anthony Pearlman ⁽⁵⁾ Toronto, Ontario COO	Stock Options	300,000	November 11, 2020	\$0.15	\$0.11	\$0.49	November 11, 2023
Ben Gelfand Oakville, Ontario Canada <i>Director, CEO</i>	Stock Options	300,000	November 11, 2020	\$0.15	\$0.11	\$0.49	November 11, 2023

Exercise of Compensation Securities

During the most recently completed financial year, the following compensation securities were exercised by NEOs and/or directors of the Corporation:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Frank Kordy Brampton Ontario, Canada <i>Interim CFO, Director, Secretary</i>	Stock Options	300,000	\$0.15	January 4, 2021	\$0.63	\$0.48	\$189,000
Anthony Pearlman Toronto, Ontario COO	Stock Options	300,000	\$0.15	March 11, 2021	\$1.30	\$1.15	\$390,000
Ben Gelfand Toronto, Ontario Canada <i>Director, CEO</i>	Stock Options	300,000	\$0.15	January 21, 2021	\$0.81	\$0.66	\$198,000

Long Term Incentive Plan and Stock Appreciation Rights

Other than the Stock Option Plan, the Corporation does not currently have any other long-term incentive or other plan pursuant to which cash or non-cash compensation has been or will be paid or distributed to any director or executive officer.

Pension Plan Benefits

The Corporation does not have and does not intend to implement a pension plan for its directors or executive officers.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation has not entered into and does not intend to enter into any employment contracts or arrangements with its directors or executive officers, except as disclosed in this Circular.

Compensation Committee

The Corporation does not have a formal compensation committee. Accordingly, responsibility for matters relating to the overall compensation philosophy and guidelines for the directors and officers of the Corporation lies with the Board as a whole. The Board seeks to ensure that, at all times, its compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director or officer of the Corporation.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth details, as at December 31, 2020, of the number of securities to be issued upon exercise of outstanding options and the remaining securities available for issuance, under equity compensation plans of the Corporation:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities remaining available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders	15,995,360	\$0.34	2,105,846
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	15,995,360	\$0.34	2,105,846

AUDIT COMMITTEE

The overall purpose of the audit committee (the “**Audit Committee**”) of the Corporation is to assist the Board in its oversight of the integrity of the Corporation’s financial statements and other relevant public disclosure, the Corporation’s compliance with legal and regulatory requirements relating to financial reporting, the external auditors’ qualifications and independence and the performance of the internal audit function and the external auditors.

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee which sets out the Audit Committee’s responsibility in reviewing the financial statements of the Corporation and public disclosure documents containing financial information and reporting on such review to the Board, review of the Corporation’s public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. A copy of the charter of the Audit Committee is set forth in Schedule “A” to this Circular (the “**Audit Committee Charter**”).

Composition of the Audit Committee

The Audit Committee is comprised of three members, being: Frank Kordy, Jakson Inwentash and Dan Collia. Jackson Inwentash and Dan Collia are “independent” within the meaning of NI 52-110 - *Audit Committees* (“**NI 52-110**”). All of the members of the Audit Committee are financially literate as defined by NI 52-110. The Board expects that, following the Meeting, the Audit Committee will be comprised of Frank Kordy, Jakson Inwentash and Ben Gelfand.

The Audit Committee assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee, among other responsibilities, reviews the financial reports and other financial information provided by the Corporation to regulatory authorities and its Shareholders and reviews the Corporation’s system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes.

In addition, the Audit Committee is responsible for directing the auditors’ examination of specific areas, for the selection of the Corporation’s independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

Reliance on Certain Exemptions

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on the exemptions contained in sections 2.4 or an exemption, in whole or in part, granted under Part 8 of NI 52-110. Following the Meeting, the Corporation will be relying upon the exemptions mentioned in Part 8 of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of the Corporation's auditors to provide non-audit services, as and when required.

External Auditor Fees

The following table summarizes the fees billed to the Corporation for services provided by its external auditors, during the fiscal years ended December 31, 2020 and 2019:

Fiscal Year	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	Other Fees ⁽⁴⁾	Total Fees
2020	\$77,500	Nil	Nil	Nil	\$77,500
2019	\$75,000	Nil	Nil	Nil	\$75,000

Notes:

- (1) Aggregate fees billed for the Corporation's annual financial statements and services normally provided by the external auditor in connection with the Corporation's statutory and regulatory filings.
- (2) 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 reported as "Audit fees", including fees with respect to review of the Corporation's prospectus.
- (3) Aggregate fees billed in each of the last two fiscal years for professional services rendered by the issuer's external auditor for tax compliance, tax advice, tax planning and assistance with tax for specific transactions.
- (4) All other fees.

CORPORATE GOVERNANCE

In accordance with National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, the following describes the corporate governance practices of the Corporation.

Board of Directors

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board.

The Board is currently comprised of four (4) directors, being: Ben Gelfand, Frank Kordy, Jakson Inwetash and Dan Collia. Jakson Inwetash and Dan Collia are "independent" within the meaning of NI 52-110. Frank Kordy and Ben Gelfand are not considered to be "independent" for the purposes of NI 52-110, as they are currently officers of the Corporation. The independent director maintains his independence by having no direct or indirect material participation with management of the Corporation. In the view of the Board, no independent directors' other directorships or principal occupations would reasonably be expected to interfere with the exercise of a member's independent judgment.

The Board has taken reasonable steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management. The Board is of the opinion that the size of the Board is adequate and facilitates the efficiency of its deliberations, while ensuring a diversity of opinion and experience. It believes that each and every director is eager to fulfil his or her obligations and assume his or her responsibilities in the Corporation's best interests, with due regard to the best interests of the Corporation's shareholders. To enhance its ability to act independently of management, the independent members of the Board may meet without management and the non-independent directors as they deem appropriate after board meetings. In the event of a conflict of interest at a meeting of the Board, the conflicted director will, in accordance with corporate law and his or her fiduciary obligations as a director of

the Corporation, disclose the nature and extent of his or her interest to the meeting and abstain from voting on the matter at issue. In addition, the members of the Board who are not members of management are encouraged to obtain advice from external advisors and legal counsel as they may deem necessary in order to reach a conclusion with respect to issues brought before the Board. The Board provides leadership for its independent directors through formal Board meetings, by encouraging independent directors to bring forth agenda items, and by providing independent directors with access to senior management, outside advisors, and unfettered access to information regarding our activities. The relatively small size of the Board facilitates this process.

The Board has determined that a board of three (3) members will be effective in the governance and supervision of the management of the Corporation's business and affairs at this time.

Directorships

None of the current directors of the Corporation presently serve on the board of directors of any other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction, other than as set out below:

Name of Director	Name of Other Issuer
Frank Kordy	Advantagewon Oil Corp.
Jakson Inwentash	ThreeD Capital Inc.

Orientation and Continuing Education

Corporate governance relates to the activities of the Board, the members of which are elected by and accountable to the shareholders, and accounts for the role of management who are appointed by the Board and charged with the day-to-day management of the Corporation. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation, and the Board has therefore formed a Corporate Governance and Nominating Committee ("**CG&N Committee**") to oversee the Corporation's operations as they relate to corporate governance matters. The CG&N Committee is currently composed of the following three members: Ben Gelfand, Jakson Inwentash and Frank Kordy.

The CG&N Committee is responsible for producing a director's manual to use in the orientation program for new Board members. In addition, information such as recent annual reports, prospectuses, proxy solicitation materials, various other operating and budget reports and Board and committee mandates are provided to new Board members to ensure that they are familiar with the Corporation's business and the procedures of the Board. Furthermore, 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

Ethical business behavior is of great importance to the Board and the management of the Corporation. The Corporation has instituted a policy on insider trading, a comprehensive code of business ethics and conduct, as well as a whistleblower policy for all staff and personnel to report any fraudulent or illegal acts on an anonymous basis directly to the Audit Committee chair. In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar activities, board members are required to comply with the conflict of interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Each director is required to declare the nature and extent of his interest and is not entitled to vote at meetings that involve such conflicts.

Nomination of Directors

The CG&N Committee is responsible for reviewing the composition, compensation and contribution of the Board and its members and recommending Board nominees. While there are no specific criteria for Board membership, the CG&N Committee attempts to attract directors with business knowledge in areas relevant to the Corporation's operations, accounting and finance who may provide insights that will assist in guiding the management of the Corporation. As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among the members of the CG&N Committee prior to consideration by the Board as a whole.

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 interest 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.

Assessment of Board Performance

As noted above the CG&N Committee is responsible for reviewing the contribution and effectiveness of the Board, its committees and its members. The CG&N Committee:

- (a) reviews and reports to the Board annually on the size, composition and profile of the Board (age, geographical representation, disciplines, related vs. unrelated, etc.). In its review of the size of the Board, the Committee will evaluate the impact of the number of Board members upon its effectiveness and, if required, implement a program to modify the number of directors to facilitate more effective decision-making;
- (b) reviews annually the continued compliance by nominees to the Board to be named in the management proxy circular for re-election with the criteria underlying the appointment of each director;
- (c) reviews annually: (i) compliance by Board members with the Corporation's policy on conflicts of interest; (ii) the status and contribution of members of the Board and committees of the Board; and (iii) the performance of the Board and its committees, and reports to the Board thereon; and
- (d) reviews annually the Board/management relationship and recommends to the Board structures and procedures to ensure that the Board can continue to function independently of management.

Diversity Policy

The Corporation's senior management and the members of its Board have diverse 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 experiences. The Board considers merit as the key requirement for Board and executive appointments, and as such, it has not adopted any 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 of directors' 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 many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most qualified individuals. As at the date of this Circular, one member of designated groups currently holds positions on the Board or in senior management.

Compensation

The Board is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation with respect to the compensation of the Corporation's NEOs, directors and senior management. The compensation for the Corporation's NEOs, in particular, its CEO and CFO, and for directors of the Corporation was, in each case, determined and reviewed, from time to time, by the Board as it deems appropriate. Going forward, this practice is expected to be continued by the Board. To determine compensation payable, the Board reviews compensation paid to NEOs and directors, in companies of similar size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the NEOs and directors while taking into account the financial and other resources of the Corporation.

The compensation of NEOs and senior management of the Corporation typically includes three major elements: (a) base salaries; (b) equity-based compensation; and (c) performance bonuses.

Base Salaries

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to the Corporation's success, the position and responsibilities of such NEO and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

Equity-Based Compensation

Shareholders approved the Stock Option Plan which enables the Corporation and its affiliated companies to: (i) promote and retain employees, officers, consultants, advisors and directors capable of assuring the future success of the Corporation, (ii) to offer such persons incentives to put forth maximum efforts, and (iii) to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership, thereby aligning the interests of such persons and Shareholders.

Performance Bonuses

Annual bonuses will be awarded based on qualitative and quantitative performance standards and will reward performance of each NEO individually. The determination of an NEO's performance may vary from year to year depending on economic conditions and conditions in the Corporation's industry and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance.

Other Board Committees

Other than the Audit Committee and the CG&N Committee, the Board has no other committees. The directors are regularly informed of or are actively involved in the operations of the Corporation. The scope and size of the Corporation's operations and development does not currently warrant an increase in the size of the Board or the formation of additional committees, however, the Board periodically examines its size and constitution and may from time to time establish ad hoc committees to deal with specific situations.

Assessments

Individual director and board effectiveness assessments are done on an informal basis and are determined by examining a number of factors including, but not limited to, attendance at and participation in meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance.

OTHER INFORMATION

Aggregate Indebtedness

No current or former executive officer, director or employee of the Corporation is as of the date hereof indebted to the Corporation or another entity, where in the latter case, the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

No individual who is or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, each Nominee and each associate of any such director, executive officer or Nominee currently has or at any time since the beginning of the most recently completed financial year has been indebted to the Corporation or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Management Contracts

In October 2015, Mr. Kordy had entered into an employment contract with the Corporation which was revised in September 2019. Mr. Gelfand entered into an employment contract with the Corporation in September 2019.

Interest of Informed Persons in Material Transactions

No informed person (within the meaning of applicable securities laws) of the Corporation, or any of their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation since the commencement of the Corporation's last completed financial year, each proposed nominee for election as a director of the Corporation or of any associate or affiliate of any of such persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

Directors and Officers Insurance

The Corporation does not maintain directors' and officers' liability insurance.

ADDITIONAL INFORMATION

Shareholders may obtain additional information in connection with the Corporation on SEDAR at www.sedar.com. Alternatively, Shareholders may contact the Corporation by mail at:

First Canadian Place | 100 King Street West, Suite 5700
Toronto, Ontario | M5X 1C9

Financial information regarding the Corporation is provided in the Corporation's audited consolidated financial statements for the years ended December 31, 2020 and 2019 and the accompanying management's discussion and analysis.

CERTIFICATION

The undersigned hereby certifies that the contents and the mailing of this Circular to Shareholders have been approved by the Corporation's Board of Directors.

DATED at Toronto, Ontario, this 8th day of October 2021.

BY ORDER OF THE BOARD OF DIRECTORS OF BLUESKY DIGITAL ASSETS CORP.

/s/ Frank Kordy _____
Frank Kordy
Secretary and Director

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

(See attached)



AUDIT COMMITTEE CHARTER

1 OVERALL PURPOSE / OBJECTIVES

The committee will assist the Board of Directors (the "Board") of Bluesky Digital Assets Corp. (the "Corporation" or the "Company") in fulfilling its responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. The committee will also be responsible for reviewing the Corporation's financial strategies, its financing plans and its use of the equity and debt markets. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Corporation's business, operations and risks.

2 AUTHORITY

The Board authorizes the committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and set compensation for such outside parties, to ensure the attendance of Corporation officers at meetings as appropriate, and to communicate and meet directly with the Corporation's internal and/or external auditors.

3 ORGANIZATION

3.1 Membership

- (a) The committee will be comprised of at least three directors of the Corporation, a majority of whom are "independent" for the purposes of Multilateral Instrument 52-110 – Audit Committees.
- (b) The chairman of the audit committee will be nominated by the committee from time to time.
- (c) Quorum for any meeting will be two members.
- (d) The secretary of the committee will be the company secretary, or such person as is nominated by the Chairman.

3.2 Attendance at Meetings

- (a) The committee may invite such other persons (e.g. the CEO) to its meetings, as it deems appropriate.
- (b) The external auditors should be present at each quarterly audit committee meeting and be expected to comment on the financial statements in accordance with best practices.
- (c) Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.
- (d) The proceedings of all meetings will be minuted.

3 ROLES AND RESPONSIBILITIES

The committee will:

- 3.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- 3.2 Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- 3.3 Review the Company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.
- 3.4 Review management's plans to access the equity and debt markets and to provide the Board with advice and commentary.
- 3.5 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 3.6 Review any legal matters which could significantly impact the financial statements as reported on by the Company's professional advisors and meet with such advisors whenever deemed appropriate.

- 3.7 Review the annual and quarterly financial statements including Management's Discussion and Analysis and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- 3.8 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure pertaining thereto.
- 3.9 Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- 3.10 Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- 3.11 Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- 3.12 Assess the fairness of the interim financial statements and disclosures, and obtain explanations from management on whether:
- (a) actual financial results for the interim period varied significantly from budgeted or projected results;
 - (b) generally accepted accounting principles have been consistently applied;
 - (c) there are any actual or proposed changes in accounting or financial reporting practices;
 - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- 3.13 Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 3.14 Review the performance of the external auditors and approve in advance provision of services other than auditing.
- 3.15 Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.
- 3.16 Make recommendations to the Board regarding the reappointment of the external auditors and the compensation of such auditors.
- 3.17 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- 3.18 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- 3.19 Obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.
- 3.20 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- 3.21 Perform other functions as requested by the Board.
- 3.22 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- 3.23 Review and update the charter; receive approval of changes from the Board.

