

**Waverunner Capital Inc.**



**WAVERUNNER CAPITAL INC.  
Suite 208 – 828 Harbourside Drive  
North Vancouver, BC V7P 3R9  
Telephone: (604) 678-8941**

## **MANAGEMENT INFORMATION CIRCULAR**

As at October 10, 2024  
(except as otherwise indicated)

**This Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Waverunner Capital Inc. (the “Company” or “Waverunner”) for use at the 2024 annual general and special meeting (the “Meeting”) of its shareholders to be held on November 13, 2024 at 9:30 a.m. (Vancouver time) at the offices of Blake, Cassels & Graydon LLP, located at Suite 3500, The Stack, 1133 Melville Street, Vancouver, British Columbia, for the purposes set forth in the accompanying notice of the Meeting (the “Notice”).**

In this Circular, references to the “Company”, “we” and “our” refer to Waverunner Capital Inc., “Common Shares” means common shares without par value in the capital of the Company, and “Shareholders” means the holders of Common Shares. “Beneficial Shareholders” means Shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### **BACKGROUND TO THE MEETING**

The last annual general meeting of the Shareholders of the Company was held on April 30, 2024.

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation.

#### **Appointment of Proxyholders**

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

## Voting by Proxyholder

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

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

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the management's nominees for directors and auditors identified in the Proxy.**

## Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. A registered Shareholder may submit a proxy using one of the following methods:

- (a) date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services, Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, or from outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) use a touch-tone phone to transmit voting choices to the toll free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the Proxy for the toll free number, the holder's account number and the proxy access number; or
- (c) log on to Computershare's website at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions set out on the website and refer to the Proxy for the holder's account number and the proxy access number.

Whatever method a registered Shareholder chooses to submit their Proxy, they must ensure that the Proxy is received by no later than 9:30 a.m. (Vancouver time) November 8, 2024 or at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof.

## Beneficial Shareholders

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

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

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

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

The Company is relying upon the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the Common Shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting. We do not intend to pay for intermediaries to distribute these materials, or Form 54-101F7 - *Request for Voting Instructions Made by Intermediary*, to Beneficial Shareholders who are OBOs under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*. As such, Beneficial Shareholders who are OBOs will not receive these materials unless the OBO's intermediary assumes the cost of delivery.

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

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

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

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

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the registered Shareholder’s authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the address of the principal office of the Company at Suite 208 – 828 Harbourside Drive, North Vancouver, BC V7P 3R9, at any time until 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and statutory holidays) before the adjourned Meeting, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered Shareholder’s Common Shares.

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

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

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

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

The board of directors (the “**Board**”) of the Company has fixed October 4, 2024 as the record date (the “**Record Date**”) for determination of Shareholders entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of the Record Date, there were 74,323,416 Common Shares without par value issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. The Company has no outstanding restricted securities, or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or securities that will, when issued, result in an existing class of outstanding securities being considered restricted securities.

Except as set out herein and below, to the knowledge of the directors and executive officers of the Company, there are no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at the Record Date.

To the knowledge of the directors and executive officers of the Company, as of October 10, 2024, the only person or

company that beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all issued and outstanding Shares of the Company is as follows:

Shareholder	Number of Shares	Percentage of Issued Capital
Telford A Walker Trust, Telford Walker Trustee	10,448,635	14.06%

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the years ended June 30, 2024, and June 30, 2023, together with the reports of the auditor and related management's discussion and analysis, all of which may be obtained under our profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), will be placed before the Meeting and have been filed with the securities commissions or similar regulatory authority in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein, except for the special resolutions approving the Consolidation (as defined below), which will require 66 $\frac{2}{3}$ % of the votes cast by Shareholders at the Meeting present in person or by proxy. If there are more nominees for election as director or appointment as the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## PARTICULARS OF MATTERS TO BE ACTED UPON

1. Fixing the Number of Directors – See heading "*Election of Directors*".
2. Election of Directors – See heading "*Election of Directors*".
3. Appointment of Auditor – See heading "*Appointment of Auditor*".
4. Approval of Continuation of Stock Option Plan – See heading "*Approval of Continuation of Stock Option Plan*".
5. Share Consolidation – See heading "*Share Consolidation*".

## ELECTION OF DIRECTORS

### Number of Directors

The Board proposes that the number of directors of the Company be fixed at four (4). The Articles of the Company provide for a board of directors as set by ordinary resolution of the Shareholders from time to time, subject to an ability of the directors to appoint additional directors in certain circumstances. Shareholders will therefore be asked to approve an ordinary resolution fixing the number of directors to be elected at four (4).

The Board recommends that Shareholders vote **IN FAVOUR** of the ordinary resolution fixing the number of directors at four (4). Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote **FOR** such resolution.

## Advance Notice Provisions

Pursuant to Article 14.12 of the Company's Articles, any additional director nominations for an annual general meeting must be received by the Company, not less than 30, nor more than 65 days prior to the date of the meeting. At the date of this Circular, no nominations had been received by the Company. Assuming that the Company receives no additional director nominations prior to October 14, 2024, being the date which is 30 days prior to the Meeting, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

## Nominees for Election

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management's four nominees for election as directors, all major offices and positions with the Company each now holds, each nominee's principal occupation, business or employment for the five preceding years, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

<b>Name, Present Office Held and Province of Residency</b>	<b>Director Since</b>	<b>Number and Percentage of Shares</b>	<b>Principal Occupation During Last Five Years</b>
Douglas E. Ford <sup>(1)</sup> CFO British Columbia, Canada	March 14, 2008	95,243 0.002%	General Manager - Dockside Capital Group Inc. Director – North American Nickel Inc. (from September 1992 to August 2022) Director – Meridian Mining UK Societas. (from July 2023 to present)
Karl Kottmeier CEO and President British Columbia, Canada	June 8, 2017	578,232 0.8%	President - Pacific Equity Management Director – EMP Metals Corp. (from November 2023 to present) CEO - EMP Metals Corp. (from September 2024 to present)
Adam B. Ho <sup>(1)</sup> Director Alberta, Canada	April 1, 2024	Nil	Independent businessman – Adamant Communications Director and/or Officer – ARCpoint Inc. (from October 2016 – to present) Director and/or Officer – Zincore Metals Inc. (From October 2018 to September 2024)
Robin Gamley <sup>(1)</sup> Director British Columbia, Canada	April 1, 2024	Nil	Vice-President of Contact Financial Services Corp. (2010 to 2023) President and Director of EMP Metals Corp. (August 2018 to present), and CEO (August 2018 to September 2024) Director of Avanti Helium Corp (April 2012 to June 2024) and President of Avanti Helium Corp. (August 2019 to June 2024) CEO, CFO, Corporate Secretary and Director of Hydaway Ventures Corp. (January 2021 to present)

Note:

(1) Member of the Audit Committee.

## Director Biographies

### *Douglas E. Ford, Chief Financial Officer and Director*

Mr. Ford, since 1987, has acted as the General Manager of Dockside Capital Group Inc., a private merchant banking and venture capital firm specializing in providing services to, and arranging funding for, emerging growth companies. From October 1998 through September 2000, Mr. Ford acted as Vice-President, Operations of Bugaboos Eyewear Corporation, a distributor of sport-specific eyewear in North America. He has experience in business operations and in turnaround situations. Mr. Ford has also been directly responsible for the administration and financial reporting of several public and private companies and has over 30 years' experience in financial reporting. Mr. Ford holds a BA in Political Science from the University of British Columbia. Mr. Ford is a director of Meridian Mining UK Societas, which is TSX listed.

### *Karl Kottmeier, President and Director*

Mr. Kottmeier is a former investment advisor and member of the venture corporate finance team at several brokerage firms. Mr. Kottmeier has over 30 years of practical experience in listing and financing junior companies on the CSE, TSX-V and TSX. Mr. Kottmeier left the brokerage industry to enter the junior resource exploration and development industry in 2003. Mr. Kottmeier has served as director and/or CEO of a number of junior resource companies and has raised over several hundred million dollars of working capital for these companies. Mr. Kottmeier holds a BA in History from the University of British Columbia.

### *Adam B. Ho, Nominee Director*

Mr. Ho currently serves as a board member of ARCpoint Inc., a TSXV-listed company, and its predecessor company since October 2016. He also served as a board member of Zincore Metals Inc., a NEX-listed issuer since October 2018 to September 2024. He has 30 years' experience in the public markets since beginning in the financial services industry in 1993 as a financial advisor at a national, independent financial services firm. Since 2006, he has provided board, management, corporate development and communications services to early-stage companies with a focus on public issuers.

### *Robin Gamley, Nominee Director*

Mr. Gamley's career spans over a decade in corporate finance and capital markets experience, providing consulting to private and public companies across a broad range of industries including biotech, oil and gas and natural resource exploration and development. He was an investor relations consultant for companies listed on the TSX-V and CSE through his position as Vice President of Contact Financial Corp., a strategic communications and consulting firm. Mr. Gamley graduated in 1998 with a Bachelor of Science from the University of British Columbia. Mr. Gamley currently serves as President and a director of EMP Metals Corp. (CSE: EMPS) and CEO and a director of Hydaway Ventures Corp. (TSX.V: HIDE.P). Mr. Gamley previously served as a director of Savanna Capital Corp., CEO of EMP Metals Corp. and CEO and a director of Avanti Helium Corp. (TSXV: AVN).

## Cease Trade Orders and Bankruptcies

Other than indicated below, no proposed nominee for election as a director of the Company:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
  - (i) was subject to a cease trade order, 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 more than 30 consecutive days (together, an "order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director 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;

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

Adam B. Ho, a director nominee, was an independent director of Hire Technologies Inc, (“**Hire**”) on May 5, 2023, when a cease trade order was issued by the Ontario Securities Commission against Hire for failing to file its audited annual financial statements, its management's discussion and analysis relating to the audited annual financial statements, and the certification of the foregoing filings as required by National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* for the period ended December 31, 2022. Mr. Ho subsequently resigned as a director of Hire effective January 21, 2024.

### **Penalties and Sanctions**

No proposed nominee for election as a director of the Company 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 security holder in deciding whether to vote for a proposed director.

The Board recommends that Shareholders vote **IN FAVOUR** of the election of each of Douglas E. Ford, Karl Kottmeier, Adam B. Ho, and Robin Gamley as directors of the Company. Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote **FOR** such resolution.

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Professional Accountants (the “**Auditors**”), at its offices located at 1200 – 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., V7Y 1G6, are the auditors of the Company, and they will be nominated at the Meeting for appointment as auditor of the Company to hold office until the next annual general meeting of the Company at the remuneration to be fixed by the directors.

The Board recommends that Shareholders vote **IN FAVOUR** of the resolution approving the appointment of the Auditors and authorizing the directors to fix the Auditor’s remuneration. Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote **FOR** such resolution. In order to be effective, the ordinary resolution must be passed by a majority of votes cast at the Meeting.

### **APPROVAL OF CONTINUATION OF STOCK OPTION PLAN**

In April 2023, the Canadian Securities Exchange (the “**CSE**”) amended its policy regarding security based compensation arrangements to require issuers with an evergreen plan (also known as a rolling plan) to seek shareholder approval of all unallocated entitlements under such plan every three years. The Company’s 10% rolling stock option plan (the “**Stock Option Plan**”) was initially approved by the Board during the fiscal year ended June 30, 2009 and most recently re-approved by the Shareholders of the Company on December 21, 2015. At a meeting held on April 30, 2024, shareholder approval of the Stock Option Plan was sought by the Company, but was not obtained. The Stock Option Plan is in the same form as the plan previously approved by Shareholders.



At the Meeting, Shareholders will be asked to pass an ordinary resolution (the “**Stock Option Plan Resolution**”), substantially in the following form:

“**BE IT RESOLVED THAT**, as an ordinary resolution of the shareholders of the Company with or without amendment:

1. the Stock Option Plan, as described in the Company’s Information Circular dated October 14, 2024, be and is hereby confirmed and approved;
2. the Company be and is hereby authorized to grant options to acquire up to 10% of the issued and outstanding Common Shares in the capital of the Company from time to time in accordance with the terms of the Stock Option Plan and issue Common Shares pursuant to the exercise of such options;
3. the options to be issued under the Stock Option Plan, and all unallocated options and other option grants under the Stock Option Plan, be and are hereby approved;
4. the Stock Option Plan shall be re-approved by the shareholders of the Company by no later than November 13, 2027, in accordance with the policies of the Canadian Securities Exchange; and
5. any director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution.”

The Stock Option Plan Resolution must be passed by a majority of the votes cast by Shareholders who, being entitled to do so, vote in person or by proxy on the Stock Option Plan Resolution.

In the event that the resolution to approve the Stock Option Plan is not passed by the requisite number of votes cast at the Meeting, the Company will neither be able to grant new options nor will it be able to re-allocate outstanding options that expire unexercised. Previously allocated options under the Stock Option Plan will continue unaffected by the approval or disapproval of the Stock Option Plan Resolution. Any options that have been terminated, cancelled or that have expired will not be available for re-granting.

The Board recommends that Shareholders vote **IN FAVOUR** of the resolution approving the Stock Option Plan Resolution. Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote **FOR** such resolution. In order to be effective, the ordinary resolution must be passed by a majority of votes cast at the Meeting.

## **SHARE CONSOLIDATION**

The Board proposes that Shareholders approve a special resolution providing for the consolidation of the Company’s issued and outstanding Common Shares at a ratio of up to fifteen (15) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the “**Consolidation**”). Under the current policies of the CSE, the Company is required to seek the approval of Shareholders for consolidations if the consolidation ratio is greater than 10 to 1; or when combined with any other consolidation in the previous 24 months that was not approved by Shareholders, the consolidation ratio is greater than 10 to 1. As the proposed Consolidation is at a ratio of up to 15 to 1 and the Shareholders declined to approve the consolidation of one hundred (100) pre-consolidation Common Shares for one (1) post-consolidation Common Shares at the meeting previously held on April 30, 2024, Shareholder approval is required in order to give effect to the Consolidation.

### **Rationale for Consolidation**

In order to facilitate future financing and business development activities; and in order to meet the minimum pricing requirements of the CSE for future financings, the Board believes the Consolidation to be in the best interest of the Company. Following such Consolidation, it is the expectation that the Company’s financial position will improve as it will provide the Company with increased flexibility to seek additional financing opportunities. There can be no assurances, however, that the Company’s financial position will improve post-Consolidation.

### **Effect of Consolidation**

If approved and implemented, the Consolidation will occur simultaneously for all of the Company's issued and outstanding Common Shares. The Common Shares will be consolidated at a ratio of up to fifteen (15) pre-Consolidation Common Shares for one (1) post-Consolidation Common Share. The implementation of the Consolidation would not affect the total shareholders' equity of the Company or any components of shareholders' equity as reflected on the Company's financial statements, except to change the number of issued and outstanding Common Shares to reflect the Consolidation.

As of the date hereof, a total of 74,423,316 Common Shares are issued and outstanding. Accordingly, if the Consolidation is put into effect as of the date hereof, a total of approximately 4,961,554 Common Shares would be issued and outstanding following the Consolidation, assuming no other changes to the issued capital.

### **Effect on Convertible Securities**

The exercise or conversion price and/or the number of Common Shares issuable under any outstanding convertible securities, including under outstanding options, debentures, and any other similar securities of the Company will be proportionately adjusted upon the implementation of the Consolidation, in accordance with the terms of such securities, on the same basis as the Consolidation.

### **Certain Risks Associated with the Consolidation**

There can be no assurance that the total market capitalization of the Company (the aggregate value of all Common Shares at the market price then in effect) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation.

### **Implementation**

The Consolidation resolution (the "**Consolidation Resolution**"), as set out below, provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation without further approval of the Shareholders of the Company. The Board is authorized to revoke the Consolidation Resolution in its sole discretion without further approval of the Shareholders of the Company at any time prior to implementation of the Consolidation.

If the Consolidation Resolution is approved, no further action on the part of the Shareholders will be required in order for the Board to implement the Consolidation.

In the event that the Consolidation Resolution is approved by the Shareholders, accepted by the CSE and implemented by the Board, registered Shareholders will be required to exchange the certificates representing their pre-Consolidation Common Shares for new certificates representing post-Consolidation Common Shares. As soon as possible following the effective date of the Consolidation, the registered holders of Common Shares of the Company will be sent a transmittal letter by the Company's transfer agent, Computershare. The letter of transmittal will contain instructions on how to surrender Common Share certificate(s) representing pre-Consolidation Common Shares to the transfer agent. The transfer agent will forward to each registered shareholder who has sent the required documents a new Common Share certificate representing the number of post-Consolidation Common Shares to which the shareholder is entitled. Shareholders should not submit certificates for exchange until required to do so. Until surrendered, each certificate formerly representing the Common Shares will be deemed for all purposes to represent the number of Common Shares to which the holder thereof is entitled as a result of the Consolidation.

### **Shareholder Approval**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve and authorize the Consolidation Resolution. The Consolidation Resolution is a special resolution and, as such, requires approval by not less than two-thirds (66⅔%) of the votes cast by the Shareholders present in person or represented by proxy at the Meeting. The full text of the Consolidation Resolution is as follows:

“**BE IT RESOLVED THAT**, as a special resolution of the shareholders of the Company with or without amendment:

1. the board of directors of the Company (the “**Board**”) is authorized to take such actions as are necessary to consolidate all of the issued and outstanding Common Shares at a consolidation ratio of up to 15 (fifteen) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the “**Consolidation Ratio**”), to improve the Company’s financial position as it will provide the Company with increased flexibility to seek additional financing opportunities;
2. in the event that the Consolidation Ratio would otherwise result in the issuance to any shareholder of a fractional post-consolidation Common Share, no fractional post-consolidation Common Shares shall be issued and the number of post-consolidation Common Shares issuable to such shareholder shall be rounded down to the nearest whole number;
3. the Board, in its sole discretion, may act upon this resolution to effect the Consolidation, or, if deemed appropriate and without any further approval from the shareholders of the Company, may choose not to act upon this special resolution notwithstanding shareholder approval of the Consolidation, and it is authorized to revoke this special resolution in its sole discretion at any time prior to effecting the Consolidation;
4. any officer or director of the Company is authorized to cancel (or cause to be cancelled) any certificates evidencing the existing Common Shares and to issue (or cause to be issued) certificates representing the new common shares to the holders thereof; and
5. any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver all such documents and to do all such other acts and things as he or she may determine to be necessary or advisable to give effect to this special resolution including, without limitation, articles of amendment, if necessary, in the form required pursuant to the *Business Corporations Act* (British Columbia), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

The Board recommends that Shareholders vote **IN FAVOUR** of the Consolidation Resolution. Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote **FOR** such resolution. In order to be effective, the special resolution must be passed by at least 66⅔% of the votes cast by shareholders present at the Meeting in person or by proxy.

#### **AUDIT COMMITTEE**

National Instrument 52-110 “*Audit Committees*” (“**NI 52-110**”) requires the Company to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below.

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

The following directors are the current members of the Audit Committee:

Douglas E. Ford	Not Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Adam B. Ho	Independent	Financially literate <sup>(2)</sup>
Robin Gamley	Independent	Financially literate <sup>(2)</sup>

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment. Mr. Douglas E. Ford is not independent by virtue of being the Company’s Chief Financial Officer.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Nicholas Zitelli served on the Audit Committee during the entire 2023 fiscal year, prior to his resignation on February 1, 2024. Mr. Zitelli was an independent, financially literate Audit Committee member. Gina Dickson also served on the Audit Committee during the entire 2023 fiscal year, prior to her resignation on February 28, 2024. Ms. Dickson was an independent, financially literate Audit Committee member. Upon their election to the Board, Messrs. Ho and Gamley were appointed to the Audit Committee on April 30, 2024.

### **Relevant Education and Experience**

Mr. Douglas E. Ford holds a BA in Political Science from the University of British Columbia. Mr. Ford is also directly responsible for the financial reporting of several public and private companies and has over 35 years' experience in financial reporting.

Mr. Adam B. Ho currently serves as a board member of ARCpoint Inc., a TSXV-listed company, and its predecessor company since October 2016. He also served as a board member of Zincore Metals Inc., a NEX-listed issuer from October 2018 to September 2024. He has almost 30 years' experience in the public markets since beginning in the financial services industry in 1993 as a financial advisor at a national, independent financial services firm. Since 2006, he has provided board, management, corporate development and communications services to early-stage companies with a focus on public issuers.

Mr. Robin Gamley's career spans over a decade in corporate finance and capital markets experience, providing consulting to private and public companies across a broad range of industries including biotech, oil and gas and natural resource exploration and development. He is an investor relations consultant for companies listed on the TSX-V and CSE through his position as Vice President of Contact Financial Corp., a strategic communications and consulting firm. Mr. Gamley graduated in 1998 with a Bachelor of Science from the University of British Columbia. Mr. Gamley currently serves as President and a director of EMP Metals Corp. (CSE: EMPS) and CEO and a director of Hydaway Ventures Corp. (TSX.V: HIDE.P). Mr. Gamley previously served as a director of Savanna Capital Corp., CEO of EMP Metals Corp. and CEO and a director of Avanti Helium Corp. (TSX.V: AVN). In these capacities, Mr. Gamley has experience reviewing and analyzing financial statements, understanding and applying accounting principles applicable thereto and understanding internal controls and procedures for financial reporting.

### **Audit Committee Charter**

The Audit Committee of the Board operates under a written charter that sets out its responsibilities and composition requirements. The text of the Audit Committee charter is attached as Schedule "A" to this Circular.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Company's Board.

### **Reliance on Certain Exemptions**

The Company has not relied on the exemptions contained in section 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirements that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

As a "venture issuer" (as that term is defined in NI 51-102 – *Continuous Disclosure Obligations*), pursuant to NI 52-110, the Company relies on an exemption contained in section 6.1 of NI 52-110 which exempts the Company from certain requirements contained in NI 52-110 in respect of the composition of its Audit Committee and its reporting obligations in respect of its Audit Committee.

## Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board and, where applicable, by the Audit Committee, on a case-by-case basis.

## External Auditor Service Fees by Category

Set forth below are details of certain service fees paid to the Company's external auditor in each of the last two fiscal years:

Financial Year End	Audit Fees	Audit-Related Fees	Tax Fees <sup>(1)</sup>	All Other Fees
June 30, 2024	\$25,000	\$Nil	\$7,000	\$Nil
June 30, 2023	\$43,019	\$Nil	\$10,000	\$Nil

Note:

- (1) Tax fees were for tax compliance, tax advice and tax planning professional services. These services consisted of tax compliance, including the review of tax returns and tax planning and advisory services relating to common forms of domestic taxation.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### General

National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”) addresses matters such as the constitution of and the functions to be performed by the Board. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company's approach to corporate governance is set forth below.

### Mandate of the Board

The Board assumes responsibility for the stewardship of the Company and the enhancement of Shareholder value. The Board is responsible for:

- (a) ensuring that management develops and implements a strategic plan that takes into account market realities and regulatory compliance;
- (b) upholding a comprehensive policy for communications with shareholders and the public at large;
- (c) developing and formalizing the responsibilities for each member of the Board, including the responsibilities of the Chairman vis-à-vis corporate objectives;
- (d) ensuring that the risk management of Waverunner is prudently addressed; and
- (e) overseeing succession planning for management.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of Waverunner. However, the Board meets at least semi-annually and at each meeting there is a review of the business of Waverunner.

The Board of the Company facilitates its exercise of independent supervision over the Company's management

through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company's management being in attendance.

### **Composition of the Board**

The Board is currently composed of four directors, two of whom qualify as an independent director. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with Waverunner. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

### **Directorships**

Currently, the following nominated directors serve on the following boards of directors of other reporting issuers (or the equivalent in a foreign jurisdiction):

<b>Director</b>	<b>Reporting Issuer Board Membership</b>
Douglas Ford	Meridian Mining UK Societas
Karl Kottmeier	EMP Metals Corp.
Adam Ho	ARCpoint Inc.
Robin Gamley	EMP Metals Corp. Hydaway Ventures Corp.

### **Orientation and Education**

While the Company does not have formal orientation and training programs, orientation of new Board members is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company's documents.

The Company has not adopted formal policies respecting continuing education for Board members. However, Board members are encouraged to communicate with the Company's management, legal counsel, external auditors and consultants to keep themselves current on industry trends and developments and changes in legislation (with management's assistance), and to attend related industry seminars and to visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

The Board relies upon the selection of directors, officers, employees and consultants whom it considers as meeting the highest ethical standards to promote a culture of ethical business conduct. The Board has not adopted a written code of conduct.

The Board itself must comply with the conflict of interest provisions of applicable Canadian corporate law, 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 executive officer has a material interest.

### **Nomination of Directors**

The Company does not have a stand-alone nomination committee. The Board is responsible for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs of the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the industry are

consulted for possible Board candidates.

### Compensation

Compensation matters are currently determined by the entire Board. The Board is responsible for reviewing the compensation plans and severance arrangements for management, to ensure they are commensurate with comparable companies. The Board will ensure that Waverunner has a plan for the continuity of its officers and a compensation plan that is motivational and competitive.

### Assessments

The Board and each individual director are regularly assessed regarding their effectiveness and contribution. The assessment considers and takes into account:

- in the case of the Board, its mandate and charter; and
- in the case of an individual director, the applicable position description(s), if any, as well as the competencies and skills each individual director is expected to possess.

### EXECUTIVE COMPENSATION

In accordance with the requirements of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, this section provides disclosure of compensation earned by the Company’s directors and the following individuals for the most recently completed financial year: (a) each Chief Executive Officer (“CEO”), (b) each Chief Financial Officer (“CFO”), (c) the most highly compensated executive officer of the Company, including any of its subsidiaries, or the most highly compensated individual acting in a similar capacity, other than the CEO and the CFO, at the end of the fiscal year ended June 30, 2024 whose total compensation for such fiscal year exceeded C\$150,000, and (d) each individual who would be included under (c) above but for the fact that such individual was not an executive officer of the Company or its subsidiaries at the end of fiscal year ended June 30, 2024 (collectively, the “Named Executive Officers” or “NEOs”).

Based on the foregoing definition, during the last completed financial year of the Company, there were two NEOs of the Company, namely, its Chief Executive Officer, Karl Kottmeier, and its Chief Financial Officer, Douglas E. Ford.

#### Director and Named Executive Officer Compensation, excluding Options and Compensation Securities

The following table of compensation provides a summary of the compensation paid by the Company and/or its subsidiaries, excluding options, for the two most recently completed financial years to each NEO and director of the Company serving as such in the most recently completed financial year. Options are disclosed under the heading “*Stock Options and other Compensation Securities*” below.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Karl Kottmeier President and Chief Executive Officer Director	2024	\$Nil	\$Nil	\$Nil	\$Nil	\$120,000 <sup>(1)</sup>	\$120,000 <sup>(6)</sup>
	2023	\$Nil	\$Nil	\$Nil	\$Nil	\$120,000 <sup>(1)</sup>	\$120,000 <sup>(6)</sup>
Douglas E. Ford Chief Financial Officer Director	2024	\$Nil	\$Nil	\$Nil	\$Nil	\$120,000 <sup>(1)</sup>	\$120,000 <sup>(6)</sup>
	2023	\$Nil	\$Nil	\$Nil	\$Nil	\$120,000 <sup>(1)</sup>	\$120,000 <sup>(6)</sup>

<b>Adam B. Ho</b> <sup>(7)</sup> Director	2024	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2023	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
<b>Robin Gamley</b> <sup>(7)</sup> Director	2024	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2023	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
<b>Sheldon Aberman</b> <sup>(3)</sup> Former Chief Cannabis Officer Former Director	2024	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2023	\$Nil	\$Nil	\$Nil	\$Nil	\$287,280 <sup>(2)</sup>	\$287,280 <sup>(6)</sup>
<b>Nicholas Zitelli</b> <sup>(4)</sup> Former Director	2024	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2023	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
<b>Gina Dickson</b> <sup>(5)</sup> Former Director	2024	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2023	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

## Notes:

- (1) Effective March 1, 2021, the pre-existing agreements were terminated by mutual consent; and under new agreements the CEO and President provides services at \$10,000 per month; and the CFO/Secretary at \$10,000 per month. All of the March 1, 2021, agreements can be terminated by either party with six months' notice.
- (2) Mr. Aberman was appointed Chief Cannabis Officer effective April 5, 2019. Pursuant to a management services employment agreement dated as of April 1, 2019 (the "**SA Agreement**"), The Company was required to pay US\$24,000 per month until February 28 2021. Effective March 1, 2021, the monthly amount was reduced to US\$18,000 per month for third party consulting services. The Company negotiated the termination of this agreement effective June 30, 2023.
- (3) Mr. Aberman resigned as a director and as Chief Cannabis Officer on January 8, 2024.
- (4) Mr. Zitelli resigned as a director on February 1, 2024.
- (5) Ms. Dickson resigned as a director on February 28 2024.
- (6) The amounts paid to Mr. Kottmeier, Mr. Ford and Mr. Aberman were for acting as officers of the Company and did not include any amounts for their service as directors of the Company.
- (7) Messrs Ho and Gamley were elected as directors of the Company effective April 30, 2024.



### Incentive Plan Awards

The following table sets forth the options granted to the Named Executive Officers and directors to purchase or acquire securities of the Company during the most recently completed financial year.

Compensation Securities							
Name and Position	Type of compensation security	Number of Common Shares underlying securities and percentage of class	Date of issue or grant	Exercise price (\$)	Closing price of Common Shares on date of grant (\$)	Closing price of Common Shares on June 30, 2024 (\$)	Expiry date
<b>Karl Kottmeier</b> <sup>(1)</sup> President and Chief Executive Officer Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Douglas E. Ford</b> <sup>(2)</sup> Chief Financial Officer Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Adam B. Ho</b> <sup>(6)</sup> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Robin Gamley</b> <sup>(6)</sup> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Sheldon Aberman</b> <sup>(3)</sup> Former Chief Cannabis Officer Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Nicholas Zitelli</b> <sup>(4)</sup> Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Gina Dickson</b> <sup>(5)</sup> Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note:

- (1) As of June 30, 2024, Mr. Kottmeier held 20,000 options of the Company exercisable for 20,000 Common Shares, all of which had vested.
- (2) As of June 30, 2024, Mr. Ford held 35,000 options of the Company exercisable for 35,000 Common Shares, all of which had vested.

- (3) Mr. Aberman resigned as a director and as Chief Cannabis Officer on January 8, 2024. As of June 30, 2023, Mr. Aberman held 45,000 options of the Company exercisable for 45,000 Common Shares, all of which had vested. Pursuant to the terms of the Company's Stock Option Plan, Mr. Aberman's stock options expired on April 9, 2024.
- (4) Mr. Zitelli resigned as a director on February 1, 2024. As of June 30, 2023, Mr. Zitelli held 20,000 options of the Company exercisable for 20,000 Common Shares, all of which had vested. Pursuant to the terms of the Company's Stock Option Plan, Mr. Zitelli's stock options expired on May 2, 2024.
- (5) Ms. Dickson resigned as a director on February 28, 2024. As of June 30, 2023, Ms. Dickson held 10,000 options of the Company exercisable for 10,000 Common Shares, all of which had vested. Pursuant to the terms of the Company's Stock Option Plan, Ms. Dickson's stock options expired on May 29, 2024.
- (6) Messrs Ho and Gamley were elected as directors of the Company effective April 30, 2024. Neither of them were granted stock options in the period.

Each option is exercisable for one Common Share of the Company and vested immediately upon issuance.

### **Exercise of Compensation Securities by Directors and NEOs**

There has been no exercise of compensation securities by any NEO or director of the Company for the financial year ended June 30, 2024 or up to the date of the Circular.

### **External Management Companies**

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the Directors or senior officers of the Company.

### **Stock Option Plan**

During the year ended June 30, 2009, the Company adopted the Stock Option Plan. The purpose of the Stock Option Plan is to give directors, senior officers, employees, management company employees and consultants of the Company (collectively, the "**Eligible Persons**"), the opportunity to participate in the success of the Company by granting to such Eligible Persons options, exercisable over periods of up to five years, as determined by the Board, to buy Common Shares of the Company at a price equal to the market price prevailing on the date the option is granted less an applicable discount, if any, permitted by the policies of the CSE and approved by the Board. The maximum number of Common Shares which may be issuable pursuant to options granted under the Stock Option Plan shall be that number equal to 10% of the Company's issued share capital from time to time.

Please refer to the heading entitled "*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*" below.

### **Employment, Consulting and Management Agreements**

Except as set out herein and as further described below, there are no other agreements under which compensation was provided for employment, consulting or management services during the most recently completed financial year.

Mr. Aberman was appointed Chief Cannabis Officer effective April 5, 2019. Pursuant to the SA Agreement, The Company was required to pay US\$24,000 per month until February 28, 2021. Effective March 1, 2021, the monthly amount was reduced to US\$18,000 per month for third party consulting services. The Company negotiated the termination of this agreement effective June 30, 2023.

### **Non-NEO Directors**

During the Company's most recently completed financial year, there were no fixed fees or per meeting fees under which the non-NEO directors of the Company were compensated for serving as directors of the Company. The Company may review non-NEO director compensation from time to time and either grant options pursuant to the Stock Option Plan to compensate non-NEO directors for their services or may in the future adopt an annual retainer and/or per meeting fee for non-NEO directors, based upon the Company's development and financial resources.

## **Oversight and Description of Directors and Named Executive Officer Compensation**

At this time, the Company does not have a formal compensation program. All compensation matters are dealt with by the entire Board, including compensation of the Board itself. All members of the Board are experienced participants in business or finance and have sat on the board of directors of other companies, charities or business associations, in addition to the Board of the Company. The Board reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer. Given the Company's current size and stage of development, it has not to date engaged in formal benchmarking practices or engaged an independent compensation consultant; rather, the compensation is determined in the discretion of the Board after considering the factors described below.

The compensation to the Company's NEOs for the fiscal year ended June 30, 2024 was comprised of cash salaries. Factors that are taken into consideration when making compensation decisions include:

- the financial resources available or expected to be available to the Company;
- the current market and economic environment;
- comparative compensations levels for companies of the Company's size in the industry;
- the capabilities of individual contributors to the Company's success;
- the reasonable compensation expectations of the individual contributor; and
- relative equity with other Company contributors.

Incentive stock options are granted pursuant to the Company's Stock Option Plan which is designed to encourage Common Share ownership on the part of the Company's management, directors, employees and consultants. The Board believes that the Stock Option Plan aligns the interests of the Company's personnel with Shareholders by linking compensation to the longer term performance of the Company's Common Shares. The granting of incentive stock options is an important component of executive compensation as it allows the Company to reward each executive officer's efforts to increase shareholder value without requiring the use of the Company's cash reserves.

The objectives of the Company's NEO compensation program are to: (a) attract, motivate and retain high-caliber NEOs; (b) align the interests of the NEOs with those of the Company's shareholders; and (c) incentivize the NEOs to continuously improve operations and execute on corporate strategy. The NEO compensation program is, therefore, designed to reward the NEOs for increasing shareholder value, improving operations and executing on corporate strategy.

The philosophy used by the Board in determining compensation is that the compensation should (i) reflect the Company's current state of development, (ii) reflect the Company's performance, (iii) reflect individual performance, (iv) align the interests of executives with those of the Shareholders, (v) assist the Company in retaining key individuals, and (vi) reflect the Company's overall financial status.

### **Pension Plan Benefits**

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

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Company's Option Plan was initially approved by the Board during the fiscal year ended June 30, 2009 and most recently re-approved by the Shareholders of the Company on December 21, 2015. The Stock Option Plan has been adopted by the Board to assist in attracting, retaining and motivating directors, officers, employees and consultants and to closely align their personal interests with those of the Shareholders by providing them with options to purchase Common Shares.

### **Equity Compensation Plan Information**

The following table sets out equity compensation plan information as at the date of this Circular:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options (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)) (c)</b>
Equity compensation plans approved by security holders	65,000	\$0.60	7,377,331
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	65,000	\$0.60	7,377,331

### Stock Option Plan

Pursuant to the Stock Option Plan, the Board may from time to time grant options to Eligible Persons (as defined in the Stock Option Plan) of the Company and its subsidiaries in consideration of them providing their services to the Company or a subsidiary. The number of Common Shares subject to each option is determined by the Board within the guidelines established by the Stock Option Plan. The options enable the Eligible Persons to purchase Common Shares of the Company at a price fixed pursuant to such guidelines. The options are exercisable by the Eligible Persons giving the Company notice and payment of the exercise price for the number of Common Shares to be acquired.

The Stock Option Plan authorizes the Board to grant stock options to the Eligible Persons on the following main terms:

1. The number of Common Shares subject to issuance pursuant to any outstanding equity compensation plans, in the aggregate, cannot exceed 10% of the Company's issued Common Shares on a non-diluted basis.
2. Any Common Share subject to an option granted under the Stock Option Plan that was subsequently cancelled or terminated without having been exercised in accordance with the terms of the Stock Option Plan, will again be available for issuance pursuant to the exercise of options granted under the Stock Option Plan.
3. The number of Common Shares reserved for issuance under the Stock Option Plan and all of the Company's other previously established or proposed share compensation arrangements in any 12-month period:
  - (a) to any one Eligible Person, shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis;
  - (b) to Insiders of the Company as a group and to any one Insider of the Company in any one-year period shall not exceed 10% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis;
  - (c) to any one consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis; and
  - (d) all Eligible Persons who undertake Investor Relations Activities (as that term is defined in the Stock Option Plan) shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on the grant date on a non-diluted basis, which options are required to be vested in stages over a one-year period and no more than one-quarter (1/4) of such options may be vested in any three (3) month period.
4. The exercise price of the options cannot be set at less than the closing trading price of the Company's shares less an applicable discount, if any, permitted by the policies of the CSE and approved by the Board on the grant date for grants to any Eligible Person.

5. The expiry date for each option shall be set by the Board at the time of issue of the option and shall not be for more than five years after the grant date.
6. Subject to the limitations contained in the Stock Option Plan, options shall be granted as fully vested on the grant date, and may be exercised to purchase any number of shares up to the number of unissued shares underlying the option at any time after the grant date.
7. The options may only be exercised by the Eligible Person for so long as the Eligible Person is a director, officer or employee of, or consultant to, the Company or any subsidiary or is an employee of the Company's management company and within a period thereafter not exceeding the earlier of:
  - (a) the original expiry date;
  - (b) 90 days after ceasing to be a director, officer or employee of, or consultant to, the Company due to early retirement, to termination by the Company other than for cause, or to voluntary resignation; and
  - (c) if the Eligible Person dies or becomes disabled, within the earlier of 365 days from the Eligible Person's death or disability and the expiry date.
8. If the Eligible Person is terminated 'for cause' the options will terminate concurrently.
9. The options are not assignable.
10. The Company may take such steps as are considered necessary or appropriate for the withholding and/or remittance of any taxes which the Company is required by any law or regulation of any governmental authority whatsoever to withhold and/or remit (at the highest marginal income tax rate unless a lower marginal income tax rate is demonstrated by the Eligible Person to the satisfaction of the Company) in connection with any option or option exercise.

Any amendments to the Stock Option Plan or outstanding stock options by the Board are subject to the approval of the CSE and, if required by the CSE, of the Shareholders of the Company.

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

### **Aggregate Indebtedness**

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, and no associate of any such director or officer is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company, and no such persons owe a debt to another entity, which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company.

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

Except as set out herein and below, to the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the financial year ended June 30, 2024, or has any interest in any material transaction in the current year.

## **MANAGEMENT CONTRACTS**

Except as set out herein under the heading "*Executive Compensation – External Management Companies*", there are no management functions of the Company, which are to any substantial degree performed by a person or company

other than the directors or executive officers of the Company.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information is included in the Company's audited financial statements for the years ended June 30, 2024 and June 30, 2023 and related management's discussion and analysis, copies of which are available on SEDAR+ or upon request from Douglas Ford, the Company's Chief Financial Officer, at telephone no: (604) 678-8941. The Company may require payment of a reasonable charge from any person or company requesting copies of such documents, who is not a security holder of the Company.

#### **OTHER MATTERS**

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

#### **DIRECTORS' APPROVAL**

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

**DATED** at Vancouver, British Columbia, October 10, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Karl Kottmeier*"

**Karl Kottmeier**  
**President and Chief Executive Officer**

**SCHEDULE "A" – AUDIT COMMITTEE CHARTER**

(See attached)

## **AUDIT COMMITTEE**

Under National Instrument 52-110 – Audit Committees ("NI 52-110") reporting issuers are required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee's Charter, composition of the Committee, and the fees paid to the external auditor. The Company provides the following disclosure with respect to its Audit Committee:

### **Audit Committee Charter**

#### **1. Purpose of the Committee**

1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company'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.

#### **2. Members of the Audit Committee**

2.1 At least one member must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.2 The Audit Committee shall consist of no less than three Directors.

2.3 At least one member of the Audit Committee must be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business.

#### **3. Relationship with External Auditors**

3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.

3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.

3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.

3.4 The Audit Committee will have direct communications access at all times with the external auditors.

#### **4. Non-Audit Services**

4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in



carrying out their auditing mandate.

4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:

- (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and
- (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

## **5. Appointment of Auditors**

5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.

5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

## **6. Evaluation of Auditors**

6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

## **7. Remuneration of the Auditors**

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

## **8. Termination of the Auditors**

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

## **9. Funding of Auditing and Consulting Services**

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

**10. Role and Responsibilities of the Internal Auditor**

10.1 At this time, due to the Company's size and limited financial resources, the Company's Chief Executive Officer and Chief Financial Officer are responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

**11. Oversight of Internal Controls**

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

**12. Continuous Disclosure Requirements**

12.1 At this time, due to the Company's size and limited financial resources, the Company's Chief Executive Officer and Chief Financial Officer are responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

**13. Other Auditing Matters**

13.1 The Audit Committee may meet with the Auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

**14. Annual Review**

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

**15. Independent Advisers**

15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.