

FIRST PHOSPHATE CORP.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS TO BE HELD ON
AUGUST 25, 2022**

AND

MANAGEMENT INFORMATION CIRCULAR

**FIRST PHOSPHATE CORP.
#3606 - 833 SEYMOUR STREET
VANCOUVER, BRITISH COLUMBIA V6B 0G4**

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of First Phosphate Corp. (the “**Company**”) will be held virtually via the Zoom meeting platform (“**Zoom**”) on <https://us06web.zoom.us/j/82423534462?pwd=TyZbEpTRml4b2tpcCtaRGV6OEIqUT09> on Thursday, August 25, 2022, at 1:00 p.m. (Eastern Time) for the following purposes:

1. To receive and consider the audited financial statements of the Company for the financial years ended February 28, 2022 and February 28, 2021, together with the auditor’s report thereon;
2. To fix the number of directors elected for the ensuing year at five (5);
3. To elect five (5) directors of the Company for the ensuing year, as more particularly set forth in the accompanying proxy and management information circular dated July 21, 2022, and prepared for the purpose of the Meeting (the “**Circular**”);
4. To reappoint Davidson & Company LLP, as auditor of the Company for the ensuing year and to authorize the board of directors of the Company (the “**Board**”) to set the auditor’s remuneration;
5. To consider and, if deemed appropriate, pass, with or without variation, an ordinary resolution of disinterested Shareholders to ratify and approve the adoption of a fixed twenty percent (20%) stock option plan of the Company;
6. To consider and, if deemed appropriate, pass, with or without variation, an ordinary resolution of disinterested Shareholders to ratify and approve the adoption of a restricted share unit plan of the Company; and
7. To transact such other business as may be properly brought before the Meeting or any adjournment(s) thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular accompanying and forming a part of this Notice of Meeting.

All Shareholders are entitled to attend and vote at the Meeting. The Board requests that all Shareholders who will not be attending the Meeting to complete, date, and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”) prior to the proxy cut-off time. If a Shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by 1:00 p.m. (Eastern Time) by Tuesday, August 23, 2022 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used) then the Shareholder will not be entitled to vote at the Meeting by proxy. Only Shareholders of record at the close of business on July 21, 2022 will be entitled to vote at the Meeting.

Amid ongoing concerns about the Coronavirus (COVID-19) outbreak, the Company is actively monitoring the latest COVID-19 developments and directions from public health and government authorities and is mindful of the health and well-being of all our stakeholders, including our employees, Shareholders, industry partners and the communities in which we operate, as well as that of the general public. The Company has chosen to hold a virtual meeting by way of Zoom and only Shareholders and/or their appointees may participate in the Zoom meeting. There will be no in-person attendance at the Meeting and no votes can be cast via Zoom therefore all Shareholders are encouraged to vote their shares prior to the voting cut-off date of August 23, 2022, at **1:00 p.m. (Eastern Time)** to ensure their votes are valid and acted upon at the Meeting (or any adjournment or postponement thereof). Shareholders and/or their appointees can connect to Zoom by following the link and information set out below. Copies of the Circular and other Meeting materials, including materials incorporated in this Circular by reference (the “**Meeting Materials**”) have been filed on the Company’s profile on SEDAR at www.sedar.com or may be obtained by contacting the Company’s Chief Financial Officer well in advance of the Meeting.

Shareholders have two options to access the Meeting, via teleconference or through the Zoom application (which requires internet connectivity). Registered Shareholders participating via teleconference or Zoom will not be able to vote in person at the Meeting as the Company’s scrutineer must take steps to verify the identity of registered Shareholders using the video features.

In order to dial into the Meeting, Shareholders will phone +16475580588 and enter the Meeting ID and Password noted below:

Meeting ID: 824 2353 4462

Passcode: 111

In order to access the Meeting through Zoom, Shareholders will need to download the application, load the application and enter the Meeting ID and Password below or open the following link:

Zoom Link: <https://us06web.zoom.us/j/82423534462?pwd=TytZbEpTRml4b2tpcCtaRGV6OEIqUT09>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

DATED at Vancouver, British Columbia, July 21, 2022.

BY ORDER OF THE BOARD

signed "Bennett Kurtz"

Bennett Kurtz
Chief Financial Officer and Director

**FIRST PHOSPHATE CORP.
#3606 - 833 SEYMOUR STREET
VANCOUVER, BRITISH COLUMBIA V6B 0G4**

MANAGEMENT INFORMATION CIRCULAR

(as at July 21, 2022, except as otherwise indicated)

SOLICITATION OF PROXIES

This management information circular (this “**Circular**”) is provided in connection with the solicitation of proxies by the management of First Phosphate Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company (the “**Shareholders**”) to be held on Thursday, August 25, 2022 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”).

The solicitation of proxies will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers and employees of the Company. Costs of solicitations will be borne by the Company.

VIRTUAL MEETING

The Company will be holding its meeting in a virtual only format, via the Zoom meeting platform (“Zoom”), as permitted by the *Business Corporations Act* (British Columbia). Shareholders will have an equal opportunity to attend at the Meeting online regardless of geographic location. Registered Shareholders, proxyholders, and Non-registered Shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as a guest but will not be able to vote at the Meeting. This is because the Company and its transfer agent, do not have a record of the non-registered Shareholders, and, as a result, will have no knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder. Please see “*Appointment and Revocation of Proxy*” below.

In order to access the Meeting, Shareholders will have two options, via teleconference or through Zoom (which requires internet connectivity). Any Shareholders wishing to view materials at the Meeting that may be presented by the Company’s management will need to utilize the Zoom application, but any Shareholder may listen to the Meeting via teleconference. Registered Shareholders participating via teleconference will not be able to vote in person at the Meeting as the Company’s scrutineer must take steps to verify the identity of registered shareholders using the video features.

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Shareholders will have the option through the application to join the video and audio or simply view and listen.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered Shareholder who wishes to appoint another person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person's name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. ("**Computershare**") by 1:00 p.m. (Eastern Time) on Tuesday, August 23, 2022, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The common shares of the Company (the "Common Share") represented by Proxy in the form provided to Shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered Shareholder appointing such person. If there is no direction by the registered Shareholder, those common shares will be voted in favor of all proposals set out in the Proxy. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the "Management") knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of common shares ("**Registered Shareholders**") will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the Shareholder's name. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

This Circular, along with the Notice of Meeting, Proxy and VIF, as applicable, are being provided to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing this Circular, along with the Notice of Meeting and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding 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 voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver this Circular, the Notice of Meeting and VIF to OBOs, and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as

proxyholder for the Registered Shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by Tuesday, August 23, 2022 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used). A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the Registered Shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

All references to Shareholders in this Circular, the Notice of Meeting and the accompanying Proxy are to Registered Shareholders as set forth on the list of Registered Shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

Notice and Access

We are not sending the Meeting Materials to registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102, *Continuous Disclosure Obligations*.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of July 21, 2022, the Company's authorized capital consists of an unlimited number of Common Shares of which 21,098,718 shares common shares are issued and outstanding and an unlimited number of preferred shares of which none are issued and outstanding. All Common Shares in the capital of the Company carry the right to one vote. Shareholders registered as of July 21, 2022 are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes of the Proxy.

To the knowledge of Management, as of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company:

Shareholder	Type of Ownership	Number of Common Shares	Percentage of Issued Capital
Shpirtrat Trust	Direct	7,400,000	35.07%

Quorum

The quorum for the transaction of business at the Meeting is two Shareholders, or one or more proxyholders representing two members, or one member and a proxyholder representing another member.

Record Date

We have set the close of business on July 21, 2022, as the record date (the "Record Date") for the Meeting. Only the Shareholders of record as at the Record Date are entitled to receive notice of and to vote, unless after that date a Shareholder of record transfers his or her Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he or she owns such Common Shares, requests at least ten (10) days prior to the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee is entitled to vote such

Common Shares at the Meeting.

FIX THE NUMBER OF DIRECTORS

Shareholders will be asked to consider and, if deemed advisable, to pass a ordinary resolution to fix the number of directors of the Company at five. The Board recommends that Shareholders vote FOR the resolution fixing the number of directors at five (5). To be effective, the foregoing resolution must be approved by a majority of the votes cast by the Shareholders 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 fixing the number of directors at five the persons named in the Proxy intend to vote FOR the resolution fixing the number of directors at five (5).

ELECTION OF DIRECTORS

It is proposed that the below-stated nominees be elected at the Meeting as directors of the Company for the ensuing year. The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote for the election to the Board of the nominees listed below.

The number of directors to be elected at the Meeting has been fixed by the Board at five (5) and accordingly, five (5) directors are to be elected at the Meeting.

Each director will hold office until the next annual general meeting of Shareholders, unless such office is earlier vacated by the death or resignation of the director or by removal in accordance with the *Business Corporations Act* (British Columbia).

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of common shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular:

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ^{(1) (2)}
Laurence W. Zeifman Ontario, Canada Independent director, Chairman of the Board, Chair of the Audit Committee, Member of the Compensation Committee	Partner, Zeifmans LLP	June 23, 2022	1,200,000 ⁽³⁾
Marc Branson British Columbia, Canada Independent director and Chair of the Compensation Committee, Member of the Audit Committee	Business consultant	2021	500,000 ⁽⁴⁾
John Passalacqua Ontario, Canada Director and Chief Executive Officer	President of Expoworld Ltd.	2021	7,638,395 ⁽⁵⁾

Bennett Ontario, Canada Director and Financial Officer	Kurtz Chief	President and Managing Director of Kurtz Financial Group	2021	2,756,895 ⁽⁶⁾
Peter Kent Ontario, Canada Nominee		Member of Parliament	Nominee	Nil

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 their 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 Company, 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) These shares are held by Z Six Financial Company, of which Mr. Zeifman and his spouse are the sole owners.
- (4) These shares are held by Capwest Investment Corp. of which Marc Branson is the sole owner.
- (5) Of these shares, 238,395 are held by Expoworld Ltd. of which Mr. Passalacqua is a director, and 7,400,000 are held by Shpirtrat Trust, of which Mr. Passalacqua is trustee.
- (6) Of these shares, 1,842,474 are held by POF Capital Corp., and 914,421 are held by 582284 Ontario Limited, both of which Mr. Kurtz is the sole owner.

The following are brief biographies of the Nominees:

Chairman - Laurence W. Zeifman, CPA, is an audit partner of Zeifmans LLP, a mid-sized Toronto public accounting firm. Larry has four decades of experience in public accounting and serves as chair of Nexia Canada, the Canadian division of the eighth largest international accounting network. He is also a Director of the Ottawa Senators Hockey Club and is an Alternate Governor of the National Hockey League.

Director - Marc Branson is president of CapWest Investment Corp. Throughout his career, Marc has founded and grown companies in multiple sectors including mining, industrials, manufacturing, marketing, and consumer electronics. Marc currently serves on a number of public and private companies. He provides management and strategic guidance.

Chief Executive Officer and Director - John Passalacqua, Int'l MBA, is an international business strategist with over 35 years of extensive technology and capital markets experience. In 1998, John gained the title of a top 50 international business strategist on the early internet. He is involved in private and public market planning for companies in nascent, visionary industries. John has lived in Quebec and is fluently bilingual in English and French.

Chief Financial Officer and Director - Bennett Kurtz is principal of Kurtz Financial Group. He has experience in financing public companies and taking private companies public. Bennett has multi-faceted business experience in finance, management, sales, marketing and administrative functions including business analysis, public business unit segmentation, internal and external analytics.

Nominee - Peter Kent was an international broadcast journalist, reporter, producer (CTV, CBC, NBC, Monitor, Global) for four decades. Elected to Canadian Parliament in 2008, Peter served in the Department of Foreign Affairs as Minister of State for the Americas, and as Environment Minister. He oversaw improvements to the environmental assessment of resource projects and responsible resource development.

The Board recommends that shareholders vote FOR the re-election and election (as the case may be) of the above nominees as directors. It is anticipated that all proxies received will be voted in favour of the election of the nominees whose names are set forth above unless a proxy contains instructions to withhold from voting.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Individual Bankruptcies, Penalties or Sanctions

To the knowledge of management of the Company, no proposed director is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) while that person was acting in that capacity was the subject of a cease trade order or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under Canadian securities legislation (any such order referred to as an “**Order**”), for a period of more than 30 consecutive days; 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 a director, chief executive officer or chief financial officer.

To the knowledge of management of the Company, no proposed director is or has been during the ten years prior to the date hereof, 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.

To the knowledge of management of the Company, no proposed director, during the ten years prior to the date hereof, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the proposed director.

To the knowledge of the management of the Company, no proposed director has been 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 securityholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

Management intends to nominate Davidson & Company LLP of Vancouver, British Columbia, for reappointment as auditor of the Company for the ensuing year to hold office until the close of business of the next annual general meeting of Shareholders at remuneration to be fixed by the Board.

The Board recommends that Shareholders vote FOR the reappointment of Davidson & Company LLP as the auditor of the Company and vote FOR the authorization of the Board to set the remuneration. It is intended that all proxies received will be voted in favour of the appointment of Davidson & Company as auditor of the Company unless a Proxy contains instructions to withhold the same from voting. It is intended that all proxies received will be voted in favour of the authorization of the Board to fix the remuneration unless a Proxy contains instructions to vote against the authorization of the Board to fix the remuneration.

APPROVAL OF STOCK OPTION PLAN

The Company is seeking disinterested Shareholder approval to adopt a fixed 20% stock option plan (the “**Stock Option Plan**”) providing for the grant of options to certain eligible persons in accordance with the terms and conditions of the Stock Option Plan.

At the Meeting, disinterested Shareholders will be asked to consider, and if thought advisable, to pass, an ordinary resolution (the “**Option Plan Resolution**”) approving the Stock Option Plan. The maximum number of Common Shares to be reserved for issuance under the Stock Option Plan will be 20% of the Company’s issued and outstanding shares as at the date of the plan’s implementation, which will be the

date of the Meeting. In order to be effective, the Option Plan Resolution must be approved, with or without variation, by the affirmative vote of at least a simple majority of the votes cast by the disinterested Shareholders represented by Proxy at the Meeting.

The foregoing information is intended to be a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan which will be provided at the time of the Meeting.

1. The aggregate number of shares which may be issued pursuant to options granted under the Stock Option Plan, unless otherwise approved by Shareholders, may not exceed that number which is equal to 20% of the shares of the Company issued and outstanding as at the date of the Stock Option Plan's implementation, which will be the date of the Meeting.
2. The number of shares subject to each option will be determined by the Board, provided that the aggregate number of shares reserved for issuance pursuant to option(s) granted to:
 - a. any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, unless the additional options are approved by a majority of the votes cast by "disinterested shareholders" at a general meeting;
 - b. any one consultant during any 12-month period may not exceed 2% of the issued shares of the Company;
 - c. any one person employed to provide Investor Relations Activities during any 12-month period may not exceed 2% of the issued shares of the Company;in each case calculated as at the date of grant of the option, including all other shares under option to such Person at that time.
3. The exercise price of an Option may not be set at a price less than the closing market price of the Company's Common Shares on the trading day immediately preceding the date of grant of the Option less a maximum discount of 25%.
4. Options may be exercisable for a period of up to 10 years.
5. The Options are non-assignable, except in certain circumstances.
6. The Options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan or within a reasonable period (set by the directors in each case) after ceasing to be an eligible optionee or, if the optionee dies, within one year from the date of the optionee's death.
7. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any option becomes exercisable.

Stock Option Plan Resolution

At the Meeting, disinterested Shareholders will be asked to consider, and if thought advisable, to ratify, confirm and approve the Option Plan Resolution, as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION that:

- (a) the Company's stock option plan, be and is hereby authorized and approved;
- (b) the Company be authorized to grant Options pursuant and subject to the terms and conditions of the stock option plan, entitling the option holders to purchase up to that

number of common shares that is equal to 20% of the issued and outstanding common shares of the Company as at the time of the grant; and

- (c) the directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under the seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions.”

The Board recommends that Shareholders vote FOR the approval of the Stock Option Plan. It is intended that all proxies received will be voted in favour of the approval of the Stock Option Plan unless a proxy contains instructions to vote against the approval of the Stock Option Plan.

APPROVAL OF RSU PLAN

At the Meeting, disinterested Shareholders will be asked to consider, and if thought advisable, to pass, a ordinary resolution of disinterested Shareholders (the “**RSU Plan Resolution**”) ratifying, confirming and approving the prior adoption of the restricted share unit (“**RSU**”) award plan (the “**RSU Plan**”). In order to be effective, the RSU Plan Resolution must be approved, with or without variation, by the affirmative vote of at least a simple majority of the votes cast by disinterested Shareholders represented by proxy at the Meeting. The material terms of the RSU Plan are summarized below but are qualified by the entirety of the RSU Plan, a copy of which is attached hereto as Schedule “A”.

Summary of the RSU Plan

The principal features of the RSU Plan are summarized below:

Purpose

The purpose of the RSU Plan is promote the interests and long-term success of the Company by: (i) furnishing certain directors, officers, employees and consultants of the Company with greater incentive to develop and promote the business and financial success of the Company; (ii) aligning the interests of persons to whom RSUs may be granted with those of Shareholders generally through a proprietary ownership interest in the Company; and (iii) assisting the Company in attracting, retaining and motivating its directors, officers, and employees.

Eligibility

RSU grants may be made under the RSU Plan to directors, officers, employees, and consultants of the Company, (including consultants engaging in Investor Relations Activities as such term is defined in the policies of the Canadian Securities Exchange (“**CSE**”)), or of any affiliate of the Company (each an “**Eligible Person**”). Any Eligible Person shall be designated a participant for the purposes of the RSU Plan (a “**Participant**”). The Company and a Participant shall be required to confirm that any Eligible Person that is an employee is a bona fide employee of the Company or its affiliates for the purposes of participating in the RSU Plan. In determining whether an Eligible Person shall receive an RSU and the terms thereof, the Board or a committee of the Board may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Company, and such other relevant factors.

Administration

The RSU Plan will be administered by the Board with the assistance of the Compensation Committee (as defined therein). The Compensation Committee is authorized, subject to the provisions of the RSU Plan, to establish such rules and regulations as it deems necessary for the proper administration of the RSU Plan, and to make determinations and take such other action in connection with or in relation to the RSU Plan as it deems necessary or advisable.

Common Shares Available for Awards

The maximum number of Common Shares that may be issuable pursuant to RSU Plan may not exceed in the aggregate, that number of Common Shares which is equal to 20% of the issued and outstanding Common Shares as at the effective date of the RSU Plan. The number of Common Shares covered by a grant of RSUs will be counted on the date of grant of such RSUs against the aggregate number of Common Shares available under the RSU Plan. Fractional RSUs are permitted under the RSU Plan.

Grant of Awards

The Compensation Committee may from time-to-time grant to any Eligible Person one or more RSUs as the Compensation Committee deems appropriate, provided that:

(a) the number of Common Shares reserved for issuance to any Participant combined with all of the Company's other security-based arrangements within any one-year period shall not, in aggregate, exceed 5% of the total number of Common Shares, or in the case of consultants, 2% of the issued and outstanding Common Shares to each consultant in any one year period, unless disinterested shareholder approval is obtained for such issuances;

(b) the number of Common Shares reserved for issuance to any one Participant within any one-year period shall not, in aggregate, exceed 1% of the total number of Common Shares, unless disinterested Shareholder approval is obtained for such issuance;

(c) the maximum number of Common Shares which may be reserved for issuance to a related group of persons, together with any other security-based compensation agreements, may not exceed 20% of the issued and outstanding Common Shares at any given time;

(d) the number of Common Shares (i) issuable, at any time, to participants that are insiders; and (i) issued to participants that are insiders (as such term is defined in the RSU Plan) within any one-year period when combined with all of the Company's other security based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Common Shares shall not, in aggregate, exceed 5% of the total number of Common Shares at any given time; and

(e) the number of Common Shares reserved for issuance to participants that are insiders pursuant to the RSU Plan within any one-year period shall not, in aggregate, exceed 2% of the total number of Common Shares, unless disinterested Shareholder approval is obtained for such issuances.

Each RSU grant will be evidenced by an Award Agreement (as such term is defined in the RSU Plan) which incorporates such terms and conditions, including all vesting conditions, as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of the RSU Plan.

Termination of Services

Upon the termination of a participant's employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of an RSU, all unvested RSUs held by the participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions or conditions with respect to any such RSU grant.

Vesting

RSUs granted pursuant to the RSU Plan will vest, and the corresponding Common Shares will be issued, no later than December 15 of the third calendar year following the end of the Service Year (as defined herein) in respect of each such RSU grant. For the purposes of this paragraph: (i) where an RSU is granted

within the first half of a calendar year, the "Service Year" in respect of such RSU shall be the immediately preceding year; and (ii) where an RSU is granted within the second half of a calendar year, the "Service Year" in respect of such RSU shall be the year of grant. Each vested, whole RSU granted is payable in Common Shares and confers on the holder thereof the right to receive one Common Share from treasury immediately upon the completion of certain conditions during such periods as the Compensation Committee may establish. The conditions to be completed during any period, the length of any period, the amount of any RSUs granted, the number of Common Shares receivable pursuant to any RSU and any other terms and conditions of the RSU are to be determined by the Compensation Committee at the time of grant.

Amendments to the RSU Plan

The following amendments to the RSU Plan will require the prior approval of the CSE and disinterested Shareholder approval: (a) increasing the maximum number of Common Shares reserved for issuance under the RSU Plan; (b) extending the term of an RSU beyond its original expiry time; or (c) any amendment that results in a modification to the section of the RSU Plan that deals with the maximum number of Common Shares available for issuance under the RSU Plan.

The Compensation Committee may make any other amendment to the RSU Plan not set out above, including the following:

- a) amendments of a clerical or housekeeping nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
- b) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the CSE;
- c) amendments to any vesting provisions of an RSU, provided that such amendments shall not extend vesting beyond December 15 of the third calendar year following the end of the Service Year in respect of such RSU; and
- d) amendments to the expiration date of an RSU that does not extend the term of an RSU past the original date of expiration for such RSU.

Adjustments

In the event of any share distribution, share split, combination or exchange of shares, merger, consolidation, spin-off or other distribution of the Company's assets to the Shareholders, or any other change affecting the Common Shares, the outstanding RSUs shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event, provided that no amount will be paid to a Participant and no additional RSUs will be granted to such Participant to compensate for a downward fluctuation in the market price of the Common Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.

In the event of a Merger and Acquisition Transaction (as such term is defined the RSU Plan), the Compensation Committee will determine any adjustment to the number and type of Common Shares (or other securities) that shall thereafter underlie the then outstanding, and any future, RSUs and determine the manner in which all unvested RSUs granted will be treated including, without limitation, requiring the acceleration of the time for the vesting of such RSUs by the participants, the time for the fulfilment of any conditions or restrictions on such vesting, and the time for the expiry of such RSUs. Notwithstanding anything to the contrary in the RSU Plan, any unvested RSUs issued to a participant at the time of a merger and acquisition transaction shall immediately vest if either (i) the participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Company within the period ending 12 months from the date of the completion of a merger and acquisition transaction, or (ii) the Compensation Committee, acting reasonably, determines

that an adjustment to the number and type of Common Shares (or other securities) resulting from a merger and acquisition transaction is impractical or impossible.

Withholding Tax

Each Participant in the RSU Plan is responsible for all applicable withholding taxes in respect the issuance, transfer, amendment or vesting of an RSU or the issuance of Common Shares thereunder in order to satisfy any applicable withholding taxes, the Company is entitled to, among other things, withhold or offset such amounts from any salary or other amounts otherwise due or to become due from the Company to the Participant, or may require that a Participant pay such amounts to the Company.

RSUs non-Transferable

Each RSU granted is non-transferrable or assignable except to (i) an executor or administrator for the estate of the participant upon the death of the Participant, or (ii) a committee or duly appointed attorney of the participant, upon the participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs. A change in the status, office, position or duties of a participant from the status, office, position or duties held by such participant on the date on which the RSU was granted to such participant will not result in the termination of the RSU granted to such participant provided that such participant remains an Eligible Person.

RSU Plan Resolution

At the Meeting, disinterested Shareholders will be asked to consider, and if thought advisable, to ratify, confirm and approve the RSU Plan Resolution, as follows:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the restricted share unit plan (“**RSU Plan**”) of the Company is hereby ratified, approved, confirmed and adopted;
2. the effective date of the RSU Plan shall be August 25, 2022 (the “**Effective Date**”);
3. subject to all required regulatory approvals, including the approval of the Canadian Securities Exchange, if required, and shareholder approval, the RSU Plan be approved, and that the RSU Plan be forthwith adopted and implemented by the Company, with such further deletions, additions and other amendments as are required by any securities regulatory authority or which are not substantive in nature and the Chief Executive Officer of the Company deems necessary or desirable;
4. the Compensation Committee of the Board of Directors of the Company (the “**Board**”) (or such other committee the Board may appoint), be and is hereby appointed to administer and implement the RSU Plan and such appointment to be effective until revoked by resolution of the Board;
5. the number of common shares of the Company (the “**Common Shares**”) issuable pursuant to the RSU Plan is hereby set at 20% of the aggregate number of Common Shares issued and outstanding as at the Effective Date, subject to any limitations imposed by applicable regulations, laws, rules and policies;
6. the Compensation Committee of the Board (or such other committee the Board may appoint) be and is hereby authorized and directed to execute on behalf of the Company, the form of RSU agreement attached as a Schedule A to the RSU Plan, providing for the grant of RSUs to eligible persons under the RSU Plan;
7. the Company is hereby authorized to allot and issue as fully paid and non-assessable that number of Common Shares specified in the RSU agreement; and that any two authorized persons of the

Company be authorized to execute such treasury order or treasury orders as may be necessary to effect the said issuance of Common Shares; and

8. any one or more director or officer of the Company is hereby authorized, for and on behalf and in the name of Company, to execute and deliver, whether under corporate seal of Company or otherwise all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

The Board unanimously recommends that disinterested Shareholders vote their Common Shares FOR the RSU Plan Resolution.

UNLESS OTHERWISE DIRECTED IN A PROPERLY COMPLETED FORM OF PROXY, IT IS THE INTENTION OF INDIVIDUALS NAMED IN THE ENCLOSED FORM OF PROXY TO VOTE FOR THE RSU PLAN RESOLUTION. IF YOU DO NOT SPECIFY HOW YOU WANT YOUR COMMON SHARES VOTED AT THE MEETING, THE PERSONS NAMED AS PROXYHOLDERS IN THE ENCLOSED FORM OF PROXY WILL CAST THE VOTES REPRESENTED BY YOUR PROXY AT THE MEETING FOR THE RSU PLAN RESOLUTION.

EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended February 28, 2022, the Company had three Named Executive Officers (“**NEOs**”) being, Bennett Kurtz, former Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”) and Corporate Secretary, John Passalacqua, CEO, and Lorilee Kozuska former CEO and CFO.

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals 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, individually, more than \$150,000; and (d) each individual who would be a NEOs under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Company’s NEOs is determined by the Board. The general objectives of the Board’s compensation decisions are:

- to encourage Management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align Management’s interests with the long-term interest of Shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Company’s overall financial position.

The Board’s compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive

to that executive's level of responsibility. In general, a NEO's compensation is comprised of contractor payments and Options.

Option grants are designed to reward the NEOs for success on a similar basis as the Shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

Share-Based and Option-Based Awards

The Board is responsible for Options to the NEOs. Option grants are designed to reward the NEOs for success on a similar basis as the Shareholders, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new Options are granted, the Board takes into account the previous grants of Options, the number of Options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the Options granted is generally determined by the market price at the time of grant, less any allowable discount.

Risk of Compensation Practices and Disclosure

The Company has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long-term sustainability. The discretionary nature of annual bonus awards and Option grants are significant elements of the Company's compensation plans and provide the Board with the ability to reward historical performance and behaviour that the Board considers to be aligned with the Company's best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

DIRECTOR AND NEO COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table (presented in accordance with Form 51-102F6V, is a summary compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Issuers' two most recently completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bennett Kurtz <i>CFO, Corporate Secretary and</i>	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

<i>Former CEO,</i>							
Lorilee Kozuska <i>Former CEO and CFO</i>	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
John Passalacqua, <i>CEO</i>	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Marc Branson	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Note:

(1) On July 12, 2021, Lorilee Kozuska resigned as the Company's President, CEO, CFO, Corporate Secretary, and Director.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

Compensation Securities							
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
Marc Branson	Options	500,000 Common Shares	July 4, 2022	\$0.02 per share	N/A	N/A	N/A

EXERCISE OF COMPENSATION SECURITIES

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 (\$)
Marc Branson	Options	500,000 Common Shares	\$0.02 per share	July 6, 2022	N/A	N/A	10,000

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

John Passalacqua, will provide management services to the Company. The agreed upon rate for Mr. Passalacqua's officer and director services is a monthly fee equal to \$10,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

POF Capital Corp of 506-500 Glencairn Ave, Toronto, ON M6B 1Z1 is a private company controlled by Bennett Kurtz CFO, Corporate Secretary, Former CEO, and director of the Company. POF Capital Corp provides management services to the Company on behalf of Mr. Kurtz. To date POF Capital Corp has not invoiced the Company anything for the services performed. The agreed upon rate however is that a monthly fee for the officer and director services shall equal \$5,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

Capwest Investments of 1056 Handsworth Road, North Vancouver, BC V7R 2A6 is a private company controlled by Marc Branson a director of the Company. Capwest Investments provides director services to the Company on behalf of Mr. Branson. To date Capwest Investments has not invoiced the Company anything for the services performed. The agreed upon rate however is that a monthly fee for the director services shall equal \$2,500 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

Z Six Financial Corporation (“Z Six”) of 30 Tangreen Circle, Thornhill, Ontario L4J 5E2 is a private company controlled by Laurence W. Zeifman, a director of the Company. Z Six provides director services to the Company on behalf of Mr. Zeifman. To date Z Six has not invoiced the Company anything for the services performed. The agreed upon rate however is that a monthly fee for the director services shall equal \$3,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

Oversight and Description of Director and NEO Compensation

Compensation of Directors

The Board, at the recommendation of Management, and with the assistance of the applicable committees determines the compensation payable to the directors, if any, of the Company and reviews such compensation periodically throughout the year. There are no other arrangements under which the directors of the Company who are not executive officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

Compensation of Named Executive Officers

Principles of Executive Compensation

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary, Options, and RSU awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align the interests of executives and Shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

Base Earnings

The Board with the assistance of the applicable committees is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and NEOs within the constraints of the arrangements described under “Employment, Consulting and Management Agreements” above. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan and RSU Plan. The Board also reviews and approves the hiring of executive officers.

Annual Incentives

The success of executive officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each executive officers' performance on the basis of his respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day-to-day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the executive officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies. Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEOs. The NEOs will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

PENSION DISCLOSURE

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

AUDIT COMMITTEE

The Company is required to have an audit committee (the "**Audit Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "B" to this Circular.

Composition of Audit Committee and Independence

The Company's current Audit Committee consists of:

<u>Name</u>	<u>Independence</u> ⁽¹⁾	<u>Financial Literacy</u> ⁽²⁾
Laurence W. Zeifman	Independent	Financially literate
Marc Branson	Independent	Financially literate
John Passalacqua	Not independent	Financially literate

Notes:

- (1) Within the meaning of subsection 6.1.1(3) of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), which requires a majority of the members of an audit committee of a venture issuer not to be executive officers, employees or control persons of the venture issuer or of an affiliate of the venture issuer.
- (2) Within the meaning of subsection 1.6 of NI 52-110.
- (3) John Passalacqua, is the CEO of the Company, and as such is not independent within the meaning of NI 52-110.

NI 52-110 provides that 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, reasonably interfere with the exercise of the member's independent judgment. Of the Company's current Audit Committee members, a majority thereof, namely, Marc Branson and Laurence W. Zeifman are "independent" within the meaning of NI 52-110.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined.

The following sets out the Audit Committee members' education and experience that is relevant to the

performance of his responsibilities as an audit committee member.

Laurence W. Zeifman, CPA, is an audit partner of Zeifmans LLP, a mid-sized Toronto public accounting firm. Larry has four decades of experience in public accounting and serves as chair of Nexia Canada, the Canadian division of the eighth largest international accounting network.

Marc Branson holds a bachelor's degree in business administration. Throughout his career, Marc has founded, grown, and managed many companies in multiple sectors including mining, industrials, manufacturing, marketing, and consumer electronics.

John Passalacqua, MBA, is an international business strategist with over 35 years of extensive technology and capital markets experience. He holds an international MBA. In 1998, John gained the title of a top 50 international business strategist on the early internet. He is involved in private and public market planning for companies in nascent, visionary industries.

The Audit Committee is composed of three directors, Laurence W. Zeifman, Marc Branson and John Passalacqua. All of the members of the Audit Committee are "financially literate" within the meaning of National Instrument 52-110. Mr. Zeifman serves as chair of the Audit Committee.

Audit Committee Oversight

Since the commencement of the Company's financial year ended February 28, 2022, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

As required by National Instrument 52-110, a majority of the members of the Audit Committee are not executive officers, employees or control persons of the Company. The Company is a "venture issuer" as defined in National Instrument 52-110 and as such is relying on the exemption from the requirement that all members of the audit committee be independent.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to Smythe for services rendered in the last two fiscal years:

	<u>2022</u> (\$)	<u>2021</u> (\$)
Audit fees ⁽¹⁾	15,000	8,500.00
Audit related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	303.66	430.19
All other fees ⁽⁴⁾	73.20	103.70
Total	\$15,376.86	\$9,033.89

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Exemption in Section 6.1

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

Board

It is proposed that Marc Branson, Laurence W. Zeifman, John Passalacqua, and Bennett Kurtz be re-elected, and Peter Kent be nominated at the Meeting to hold office until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the articles of the Company, unless their offices are earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company's articles.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgement. Two of the current members of the Board are considered "independent" and one member is not considered "independent" within the meaning of NI 52-110.

John Passalacqua is the current CEO, and therefore not considered to be "independent." In assessing NI 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. Marc Branson is considered to be independent director as he is independent of management and free from any material interests in the Company which could reasonably be expected to interfere with the exercise of his independent judgment as directors. The basis for this determination is that, since the commencement of the Company's fiscal year ended February 28, 2022, Marc Branson has not worked for the Company, received remuneration from the Company (other than in his capacity as directors), or had material contracts with or material interests in the Company which could interfere with his ability to act in the Company's best interests. Laurence W. Zeifman is considered to be independent director as he is independent of management and free from any material interests in the Company which could reasonably be expected to interfere with the exercise of his independent judgment as directors. The basis for this determination is that, since he joined the Board on June 23, 2022, Laurence W. Zeifman has not worked for the Company, received remuneration from the Company (other than in his capacity as a director), or had material contracts with or material interests in the Company which could

interfere with his ability to act in the Company's best interests. If Bennett Kurtz is elected to the Board, he will not be considered "independent" within the meaning of NI 52-110 as he is the current CFO. Peter Kent is considered to be independent director as he is independent of management and free from any material interests in the Company which could reasonably be expected to interfere with the exercise of his independent judgment as directors. The basis for this determination is that Peter Kent does not work for the Company, receive remuneration from the Company (other than in his nominated capacity as directors), or has material contracts with or material interests in the Company which could interfere with his ability to act in the Company's best interests.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO. The Board will give direction and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the Shareholders for election as directors and immediately following each annual general meeting appoints the Audit Committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of each committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO and CFO of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over Management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

Directorships

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

Marc Branson is also the director of: CannapharmaRX Inc. CannapharmaRX Inc. is a medical marijuana company specializing in medical cannabis and hemp assets. It trades on the OTC Exchange. Mr. Branson is also a director of Oil Optimization Inc. Oil Optimization Inc. is a company dedicated to developing a wide range of oil and gas assets globally. It trades on the NEX board.

Orientation and Continuing Education

The Board's practice is to recruit for the Board only persons with extensive experience in business and public company matters and with an understanding of the mining and mining exploration business. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

Ethical Business Conduct

The Board has not adopted a written code of conduct for directors, officers and employees.

The Board has found that the fiduciary duties placed on individual directors and officers by the Company's governing corporate legislation and on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates in the best interests of the Company.

Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among Management and a majority of the non-executive directors.

Compensation

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. As well, the number of options to be granted is determined by the Board as a whole, which allows the independent directors to have input into compensation decisions. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

Compensation Committee

The Company's long-term corporate strategy is central to all of the Company's business decisions, including around executive compensation. The Compensation Committee has been established by the Board to assist the Board in fulfilling its responsibilities relating to compensation matters, including the evaluation and approval of the Company's compensation plans, policies and programs. The current members of the Compensation Committee are Marc Branson as chair, and Laurence W. Zeifman (the "**Compensation Committee**").

The Compensation Committee ensures that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance by executive officers and other members of senior management in a manner that will enhance the sustainable profitability and growth of the Company.

As the Company grows, the Company's compensation program has been developed to continue to attract,

motivate and retain high caliber executives and align their interests with sustainable profitability and growth of the Company over the long-term in a manner which is fair and reasonable to the Shareholders. The compensation program will continue to evolve along with the development of the Company.

The compensation principles of the Board and Compensation Committee going forward are as follows:

- executive officers should be compensated in a manner consistent with current industry practices and in amounts similar to those paid to like positions at comparable companies;
- individual compensation packages should align the interests of the Company and the executive, recognizing each employee's responsibilities and the complexities of the business; and
- compensation should exhibit the value of each employee and be sufficient to not only reward, but also retain the services of each executive.

As a general rule for establishing compensation for NEOs and executive officers, the Compensation Committee will consider the compensation principles noted above as well as the executive's performance, experience and position within the Company and the recommendations of the CEO, or in the case of the CEO, the recommendation of the Chair of the Board. The Compensation Committee uses its discretion to recommend compensation for executive officers at levels warranted by external, internal and individual circumstances.

Compensation Risk Management

In the course of its deliberations, the Board considers the implications of the risks associated with adopting the compensation practices in place from time to time and detect actions of management and employees of the Company that would constitute or lead to inappropriate or excessive risks. Pursuant to the Company's Insider Trading Policy, Directors and executive officers are prohibited from purchasing financial instruments (such as prepaid variable forward contracts, equity swaps or collars) designed to hedge or offset a decrease in the market value of Common Shares.

At the present time, the only standing committees are the Audit Committee and the Compensation Committee. The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule "C" to this Circular. As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute formal standing committees, such as a Corporate Governance Committee and a Nominating Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

OTHERS MATTERS TO BE ACTED UPON

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative audited annual financial statements to February 28, 2022 and 2021 a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company by email at bennett@firstphosphate.com

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the Board.

DATED at Vancouver, British Columbia, July 21, 2022.

BY ORDER OF THE BOARD

signed "Bennett Kurtz"

Bennett Kurtz
Chief Financial Officer and Director

SCHEDULE "A"
FIRST PHOSPHATE CORP.

RESTRICTED SHARE UNIT AWARD PLAN

ARTICLE 1
PURPOSE OF THIS PLAN

1.1 Purpose of this Plan

The purpose of this Plan is to promote the interests and long-term success of the Company by:

- (a) furnishing certain directors, officers, Consultants, and employees of the Company or its Affiliates with greater incentive to develop and promote the business and financial success of the Company;
- (b) aligning the interests of persons to whom Restricted Awards may be granted with those of the shareholders of the Company generally through a proprietary ownership interest in the Company; and
- (c) assisting the Company in attracting, retaining and motivating its directors, officers, and employees.

The Company believes that these purposes may best be effected by granting Restricted Awards and affording such persons an opportunity to acquire a proprietary interest in the Company.

ARTICLE 2
DEFINITIONS

2.1 Definitions

In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) "**Affiliate**" means an affiliate as defined in the Securities Act and includes issuers that are similarly related, whether or not any of the issuers are companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (b) "**Applicable Withholding Taxes**" means all taxes and other source deductions or other amounts which the Company or an Affiliate of the Company is or may be required by law to withhold in respect of the Plan or in respect of a Restricted Award, including in respect of the issuance transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder;
- (c) "**Associate**" means an associate as defined in the Securities Act;
- (d) "**Award Agreement**" means any written agreement, contract or other instrument or document evidencing any Restricted Award granted under this Plan. Each Award Agreement shall be subject to the applicable terms and conditions of this Plan and any other terms and conditions (not inconsistent with this Plan) determined by the Compensation Committee;
- (e) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company;
- (f) "**Board**" means the board of directors of the Company as constituted from time to time;

- (g) **“Change in Control”** means:
- (i) any merger or amalgamation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction;
 - (ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(t)(iii) and other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities;
 - (iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;
 - (iv) any sale, transfer or other disposition of all or substantially all of the assets of the Company;
 - (v) a complete liquidation or dissolution of the Company; or
 - (vi) any transaction or series of transactions involving the Company or any of its Affiliates that the Board in its discretion deems to be a Change in Control;
- provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results from:
- (i) the issuance, in connection with a bona fide financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;
 - (ii) a transaction or series of transactions involving the Company or any of its Affiliates whereby the holders of the voting securities of the Company continue to hold voting securities in the capital of the surviving or successor entity in substantially the same proportion as such holders held voting securities in the Company immediately prior to the commencement of such transaction or series of transactions; or
 - (iii) a reverse take-over of the Company, so long as more than one-half of the members of the Board immediately prior to the reverse take-over constitute more than one-half of the members of the board of directors of the other company involved in the reverse take-over of the Company following the reverse take-over.
- (h) **“Compensation Committee”** means the Compensation Committee of the Board or such other committee of the Board to which the Board has delegated responsibility for administration of the Plan or, if the Board has not made such delegation, “Compensation Committee” shall mean the Board;
- (i) **“Consultant”** means a person or company, other than an employee, executive officer

or director of the Company, that: (i) is engaged to provide services to the Company, other than services provided in relation to a distribution of securities or services provided in relation to Investor Relations Activities; (ii) provides the services under a written agreement with the Company; and (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company, and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (j) “**Company**” means First Phosphate Corp. and any successor corporation and any reference herein to action by the Company means action by or under the authority of its Board or a duly empowered committee appointed by the Board;
- (k) “**Eligible Person**” means director, officer, employee or Consultant of the Company or its Affiliates, excluding individuals or Consultants engaging in Investor Relations Activities;
- (l) “**Exchange**” means the Canadian Stock Exchange, TSX Venture Exchange or such stock exchanges or other organized markets on which the Shares are listed or posted for trading;
- (m) “**Insider**” in relation to the Company means:
 - (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Company; or
 - (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all Outstanding Shares.
- (n) “**Investor Relations Activities**” has the meaning ascribed thereto in Canadian Stock Exchange policies;
- (o) “**Merger and Acquisition Transaction**” means:
 - (i) any merger;
 - (ii) any acquisition;
 - (iii) any amalgamation;
 - (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
 - (v) any arrangement or other scheme of reorganization; that results in a Change in Control;
- (p) “**Outstanding Shares**” at the time of any issuance of Shares means the number of Shares that are outstanding immediately prior to the issue of the Shares in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Exchange;
- (q) “**Participant**” means an Eligible Person designated to be granted a Restricted Award under this Plan;

- (r) **“Permitted Assign”** in respect of a Participant means:
- (i) an executor or administrator for the estate of the Participant upon the death of the Participant, or
 - (ii) a committee or duly appointed attorney of the Participant, upon the Participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs.
- (s) **“Plan”** means this restricted share unit award plan, as the same may from time to time be supplemented or amended and in effect;
- (t) **“Related Group of Persons”** in respect of a person means:
- (i) the person together with any one or more of the person’s Associates or Affiliates; and
 - (ii) any two or more persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
 - (A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Company; or
 - (B) the exercise of voting rights attached to the securities of the Company beneficially owned by such persons, or over which such persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Company;
 - (iii) despite the above Section 2.1(t)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Company, and not executing principal transactions for its own account or performing services beyond customary dealer’s functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons; and
- (u) **“Restricted Award”** means restricted share unit award granted pursuant to Section 8.1, for which the form of Award Agreement is attached hereto as Schedule “A”;
- (v) **“Securities Act”** means the *Securities Act* (Ontario), as amended from time to time;
- (w) **“Shares”** means the common shares in the capital of the Company; and
- (x) **“Shareholder”** means a holder of Shares.

**ARTICLE 3
EFFECTIVE DATE OF PLAN**

3.1 This Plan became effective on • (the **“Effective Date”**).

**ARTICLE 4
ADMINISTRATION OF PLAN**

- 4.1 The Board may at any time appoint a committee of the Board (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board, this Plan will be administered by the Board, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board). The Board will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.
- 4.2 The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 4.3 The Company will be responsible for all costs relating to the administration of the Plan.
- 4.4 Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Company and the rights of Participants under the Plan shall be general unsecured obligations of the Company.
- 4.5 The Company is authorized to take such steps as may be necessary to ensure all Applicable Withholding Taxes are withheld, deducted and remitted as required by law.

**ARTICLE 5
SHARES AVAILABLE FOR AWARDS**

- 5.1 Subject to adjustment as provided in Article 16 of this Plan, the maximum number of Shares that may be issuable pursuant to this Plan shall not exceed in the aggregate, that number of Shares which is equal to 20% of the issued and outstanding Shares of the Company at the Effective Date. It is anticipated that the number of authorized but unissued Shares available for issuance under the Plan on the Effective Date will be • Shares.
- 5.2 For purposes of Section 5.1 and subject to Section 5.3, the number of Shares covered by a Restricted Award or to which a Restricted Award relates shall be counted on the date of grant of such Restricted Award against the aggregate number of Shares available for granting Restricted Awards under this Plan.
- 5.3 If an outstanding Restricted Award for any reason expires or is terminated or cancelled without having been settled in full, the Shares shall only be available again for issuance under this Plan upon approval of the Exchange.
- 5.4 The Board will reserve for issuance from time to time out of the authorized but unissued Shares sufficient Shares to provide for issuance of all Shares which are issuable under all Restricted Awards.
- 5.5 Fractional Restricted Awards are permitted under this Plan.

**ARTICLE 6
GRANT OF AWARDS**

- 6.1 Subject to the provisions of this Plan, the Compensation Committee may from time to time grant to any Eligible Person one or more Restricted Awards as the Compensation Committee

deems appropriate.

- 6.2 The date on which a Restricted Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Restricted Award or such other future date as may be specified by the Compensation Committee at the time of such authorization (including, but not limited to, the date the Award Agreement is entered into pursuant to Section 6.4).
- 6.3 The number of Shares that may be issued under any Restricted Award will be determined by the Compensation Committee, provided that:
- (a) subject to Section 6.3(b), the number of Shares reserved for issuance to any one Participant pursuant to this Plan combined with all of the Company's other security based arrangements, including the Company's stock option plan, within any one year period shall not, in aggregate, exceed 5% of the total number of Outstanding Shares, or in the case of Consultants, 2% of the issued and outstanding Shares to each Consultant in any one year period, unless disinterested Shareholder approval is obtained for such issuances;
 - (b) the number of Shares reserved for issuance to any one Participant pursuant to this Plan within any one-year period shall not, in aggregate, exceed 1% of the total number of Outstanding Shares, unless disinterested Shareholder approval is obtained for such issuance;
 - (c) the maximum number of Shares which may be reserved for issuance to a Related Group of Persons, together with any other security based compensation agreements, may not exceed 10% of the issued Shares
 - (d) subject to Section 6.3(e), the number of Shares:
 - (i) issuable, at any time, to Participants that are Insiders; and
 - (ii) issued to Participants that are Insiders within any one-year period;pursuant to this Plan, or when combined with all of the Company's other security-based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Shares shall not, in aggregate, exceed 5% of the total number of Outstanding Shares;
 - (e) the number of Shares reserved for issuance to Participants that are Insiders pursuant to this Plan within any one year period shall not, in aggregate, exceed 2% of the total number of Outstanding Shares, unless disinterested Shareholder approval is obtained for such issuances,
- 6.4 Each Restricted Award will be evidenced by an Award Agreement which incorporates such terms and conditions (including all vesting conditions) as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Company of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions determined by the Compensation Committee and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Restricted Award is granted and on behalf of the Company by any member of the Compensation Committee or any officer of the Company or such other person as the Compensation Committee may designate for such purpose.
- 6.5 Restricted Awards granted pursuant to this Plan shall vest, and the corresponding Shares shall be issued, no later than December 15 of the third calendar year following the end of the Service

Year in respect of each such Restricted Award. For the purposes of this paragraph: (i) where a Restricted Award is granted within the first half of a calendar year, the “**Service Year**” in respect of such Restricted award shall be the immediately preceding year; and (ii) where a Restricted Award is granted within the second half of a calendar year, the “**Service Year**” in respect of such Restricted award shall be the year of grant.

ARTICLE 7 ELIGIBILITY

- 7.1 Any Eligible Person shall be eligible to be designated a Participant. The Company and a Participant shall confirm that any Eligible Person that is an employee is a *bona fide* employee of the Company or its Affiliates. In determining whether an Eligible Person shall receive a Restricted Award and the terms of any Restricted Award, the Compensation Committee may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Company, and such other factors as the Compensation Committee, in its discretion, shall deem relevant.

ARTICLE 8 RESTRICTED AWARD GRANTS

- 8.1 The Compensation Committee is hereby authorized to grant Restricted Awards to an Eligible Person subject to the terms of this Plan. Each vested, whole Restricted Award granted under this Plan shall be denominated or payable in Shares and shall confer on the holder thereof the right to receive one Share from treasury (subject to adjustment in accordance with this Plan), immediately upon the completion of certain conditions during such periods as the Compensation Committee shall establish. Subject to the terms of this Plan, the conditions to be completed during any period, the length of any period, the amount of any Restricted Award granted, the number of treasury Shares receivable pursuant to any Restricted Award and any other terms and conditions of the Restricted Award shall be determined by the Compensation Committee at the time of grant. A Restricted Award will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of this Plan, as the Compensation Committee shall determine.
- 8.2 Except as otherwise determined by the Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant’s employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions or conditions with respect to any such Award.

ARTICLE 9 GENERAL TERMS OF RESTRICTED AWARDS

- 9.1 Restricted Awards may be granted for no cash consideration.
- 9.2 Restricted Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to or in tandem with any award granted under any plan of the Company or any Affiliate. Restricted Awards granted in addition to or in tandem with awards granted under any such other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other awards.
- 9.3 All Shares delivered pursuant to a Restricted Award shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable, applicable Canadian provincial or foreign securities laws and regulatory requirements, applicable Exchange

policies and rules, and applicable Canadian corporate laws, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Shares to reflect such restrictions.

**ARTICLE 10
CHANGE IN STATUS**

- 10.1 A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Restricted Award was granted to such Participant will not result in the termination of the Restricted Award granted to such Participant provided that such Participant remains an Eligible Person.

**ARTICLE 11
NON-TRANSFERABILITY OF RESTRICTED AWARDS**

- 11.1 Except in the case of death of the Participant, each Award Agreement will provide that the Restricted Award granted thereunder is not transferable or assignable to anyone other than a Permitted Assign.

**ARTICLE 12
REPRESENTATIONS AND COVENANTS OF PARTICIPANTS**

- 12.1 Each Award Agreement will contain representations and covenants of the Participant that:
- (a) the Participant is a director, officer employee or Consultant of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the Company or its Affiliates; and
 - (c) the Participant is aware that the grant of the Restricted Award and the issuance by the Company of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws.

**ARTICLE 13
WITHHOLDING TAX**

- 13.1 Each Participant shall be responsible for all taxes in respect of the Plan and in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder. The Company makes no guarantee to any person regarding the tax consequences of becoming a Participant in the Plan and none of the Company, its Affiliates or any of their respective employees or representatives shall have any liability to any Participant with respect thereto. The Company shall be entitled to take all reasonable and necessary steps and to obtain all reasonable or necessary indemnities, assurances, payments or undertakings to satisfy any obligation to pay or withhold an amount on account of Applicable Withholding Taxes. Without limiting the generality of the foregoing, the Company may for such purposes withhold or offset such amounts from any salary or other amounts otherwise due or to become due from the Company to the Participant or may require that a Participant pay such amounts to the Company.
- 13.2 Participant will be solely responsible for paying any Applicable Withholding Taxes arising from the grant, vesting or issuance or payment of underlying Shares or cash of any Restricted Award and payment is to be made in a manner satisfactory to the Company. Notwithstanding the

foregoing, the Company will have the right to withhold from any Restricted Award or any Shares issuable pursuant to a Restricted Award or from any cash amounts otherwise due or to become due from the Company to the Participant, an amount equal to any such taxes.

ARTICLE 14 CONDITIONS

- 14.1 Notwithstanding any provision in this Plan, other than pursuant to an Award Agreement, the Company's obligation to issue Shares to a Participant pursuant to the terms of any Restricted Award will be subject to, if applicable:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Company will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
 - (b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

ARTICLE 15 SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

- 15.1 The Compensation Committee will have the right at any time and from time to time to suspend or terminate this Plan (including, without limitation, in the event that the termination of this Plan is required by the Exchange) and, subject to Section 15.2, may:
- (a) with the prior approval of the Exchange and disinterested Shareholders of the Company by ordinary resolution make any amendment to any Restricted Award Agreement or this Plan, including any amendment that would:
 - (i) increase the number of Shares, or rolling maximum, reserved for issuance under this Plan as set out in Section 5.1;
 - (ii) extend the term of a Restricted Award beyond its original expiry time;
 - (iii) result in any modification to this Section 15.1; or
 - (b) without the prior approval of Shareholders of the Company and without limiting the generality of the foregoing, the Compensation Committee may make any other amendments not listed in (a) above to any Award Agreement or this Plan, as follows:
 - (i) amendments of a clerical or housekeeping nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
 - (ii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Exchange;
 - (iii) amendments to any vesting provisions of a Restricted Award, provided that such amendments shall not extend vesting beyond December 15 of the third calendar year following the end of the Service Year in respect of such Restricted Award; and
 - (iv) amendments to the expiration date of a Restricted Award that does not extend the term of a Restricted Award past the original date of expiration for such Restricted Award.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to this Plan or amendments to any Award Agreement, including, but not limited to, the receipt of necessary approvals from disinterested Shareholders and the Exchange, if applicable, in connection with any renewals and amendments to this Plan.

- 15.2 In exercising its rights pursuant to Section 15.1, the Compensation Committee will not have the right to affect in a manner that is materially adverse to, or that materially impairs, the benefits and rights of any Participant under any Restricted Award previously granted under this Plan except: (a) with the consent of such Participant; (b) as permitted pursuant to Article 16; or (c) for the purpose of complying with the requirements of any regulatory authorities to which the Company is subject, including the Exchange.
- 15.3 The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Restricted Awards have been vested in full (including the issuance of any underlying Shares) or have otherwise expired.

ARTICLE 16 ADJUSTMENTS

- 16.1 In the event of any Share distribution, Share split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of the Company's assets to the Shareholders, or any other change affecting the Shares, the Restricted Awards of each Participant and the Restricted Awards outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Restricted Awards will be granted to such Participant to compensate for a downward fluctuation in the market price of the Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.
- 16.2 In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Compensation Committee shall determine in an appropriate and equitable manner:
- (a) any adjustment to the number and type of Shares (or other securities) that thereafter shall be made the subject of Restricted Awards; and
 - (b) the number and type of Shares (or other securities) subject to outstanding Restricted Awards; and
 - (c) determine the manner in which all unvested Restricted Awards granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Restricted Awards by the Participants, the time for the fulfilment of any conditions or restrictions on such vesting, and the time for the expiry of such Restricted Awards.

Subsections (a) through (c) of this Section 16.2 may be utilized independently of, successively with, or in combination with each other and Section 16.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Restricted Awards in any other manner. All determinations by the Compensation Committee under this Article 16 will be final, binding and conclusive for all purposes.

- 16.3 Notwithstanding anything else in this Plan, any unvested Restricted Awards issued to a Participant at the time of a Merger and Acquisition Transaction shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as such term

has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Company within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Shares (or other securities) resulting from a Merger and Acquisition Transaction is impractical or impossible. In the event this Section 16.3 is applicable, the Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of Restricted Awards.

- 16.4 The grant of any Restricted Awards under this Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

ARTICLE 17 GENERAL

- 17.1 Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a Shareholder of the Company with respect to any Shares reserved for the purpose of any Restricted Award.
- 17.2 Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant. The rights and obligations hereunder may be assigned by the Company to a successor in the business of the Company.
- 17.3 Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or its Affiliates or affect in any way the right of the Company or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or its Affiliates or any present or future retirement policy of the Company or its Affiliates, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or its Affiliates. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of this Plan.
- 17.4 Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board in connection with any allotment and issuance of Shares, which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.
- 17.5 The Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 17.6 References herein to any gender include all genders and to the plural includes the singular and vice versa. The division of this Plan into Sections and Articles and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.

SCHEDULE "A"
FORM OF AWARD AGREEMENT

FIRST PHOSPHATE CORP.

(THE "COMPANY")

RESTRICTED SHARE UNIT AWARD PLAN

AWARD AGREEMENT

This award agreement (this "**Agreement**") is entered into between the Company and Participant named below pursuant to the Company's restricted share unit award plan (the "**Plan**"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

This Agreement confirms that:

1. on _____, 20____ (the "**Award Date**");
2. _____ (the "**Participant**");
3. was granted _____ Restricted Awards in respect of services rendered (or to be rendered) by the Participant to the Company or its Affiliates, each of which entitles the Participant to receive one Share upon vesting, provided the following conditions are met:

[conditions of vesting to be included at time of grant.]

4. the vesting of the Restricted Awards shall occur on the following schedule:

Date	Percentage Vested	Expiration Date

[Timing of vesting to be included at time of grant.]

5. [if the Company is listed on the Canadian Securities Exchange, must include: The Shares underlying the Restricted Awards shall bear the following legend:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES SHALL NOT TRADE THE SECURITIES BEFORE ▲, 202▲."]

6. The Company shall issue to the Participant all amounts receivable by the Participant and all Shares receivable by the Participant from treasury, pursuant to this Agreement;
7. by execution of this Agreement and acceptance of the Restricted Awards hereby granted, the Participant hereby represents and warrants to the Company that the Participant:
 - (a) is director, officer, employee or Consultant of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) has not been induced to enter into this Agreement by the expectation of employment or continued employment with the Company or its Affiliates;
 - (c) is aware that the grant of the Restricted Award and the issuance by the Company of

Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws;

8. without restricting the generality of Section 4.5 of the Plan, the Company is expressly authorized to withhold and remit all Applicable Withholding Taxes arising as a consequence of the issuance, transfer, amendment or vesting of a Restricted Award granted pursuant to this Agreement or the issuance of Shares thereunder, (the “**Applicable Withholding Taxes Amount**”), in any of the following ways or any combination thereof:
- (a) by requiring the Participant, as a precondition to the Company’s obligation to issue Shares from treasury, to pay to the Company in cash the Applicable Withholding Taxes Amount, to be remitted by the Company to the appropriate government authorities for the Participant’s account;
 - (b) by offset against any salary or other amounts otherwise due or to become due from the Company to the Participant and remitting such amounts to the appropriate government authorities for the Participant’s account; and
 - (c) by selling, as the Participant’s agent, sufficient of the Shares issued to the Participant in payment and settlement of the Restricted Awards to raise, net of commissions and other related expenses, cash in an amount not less than the Applicable Withholding Taxes Amount and remitting the Applicable Withholding Taxes Amount to the appropriate government authorities for the Participant’s account, and the Participant hereby irrevocably appoints the Company as the Participant’s agent to effect such sale or sales and receive the proceeds therefrom;

otherwise all on the terms and subject to the conditions and restrictions set out in the Plan.

By signing this Agreement, the Participant acknowledges that the Participant has read and understands the Plan and agrees to the terms and conditions of the Plan and this Agreement.

IN WITNESS HEREOF the parties hereto have executed this Agreement as of the _____ day of _____, 20____.

FIRST PHOSPHATE CORP.

By: _____
Participant

By: _____
Authorized Signator

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

Membership of the Audit Committee

- (a) The Committee shall be comprised of at least five directors, all of whom shall meet the independence requirements set forth in National Instrument 52-110 – *Audit Committee*.
- (b) The Committee shall have the power to appoint its chairman, who shall be an independent director.

Meetings

- (a) At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote.
- (b) A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the board.
- (c) Meetings of the Committee should be scheduled to take place at least four times per year. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chairman.
- (d) The Committee shall meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.
- (e) Minutes of all meetings of the Committee shall be taken.
- (f) The Committee shall forthwith report the results of the meetings and review undertaken and any associated recommendations to the Board.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
 - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;
 - (ii) the auditor's report, if any, prepared in relation to those financial statements,
- (b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the board of directors:

- (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) establish procedures for:
- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,
- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company, and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109.

Composition of the Committee

The committee will be composed of three directors from the Company's board of directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the Company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

Authority

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and

the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

Reporting

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

