



**NOTICE OF ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS  
TO BE HELD ON AUGUST 4, 2021**

**AND**

**INFORMATION CIRCULAR**

*July 5, 2021*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.*

**TRENCHANT CAPITAL CORP.**  
Suite 1790 - 1066 West Hastings Street  
Vancouver, BC V6E 3X1  
Telephone: 604.307.4274

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

**TO THE SHAREHOLDERS:**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of shareholders of Trenchant Capital Corp. (the “**Company**”) will be held via teleconference only, on Wednesday, August 4, 2021, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

- (1) to receive the audited financial statements of the Company for the fiscal year ended March 31, 2021, and the accompanying report of the auditors;
- (2) to set the number of directors of the Company at four (4);
- (3) to elect Eric Boehnke, Thomas English, Jennie Choboter and Darren Devine as directors of the Company;
- (4) to appoint Dale Matheson Carr-Hilton LaBonte LLP as the auditors of the Company for the fiscal year ending March 31, 2022 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending March 31, 2022;
- (5) to consider and, if thought fit, to pass an ordinary resolution to approve an increase in the number of common shares issuable pursuant to the Company’s stock option plan from 10% of the number of issued and outstanding common shares at the time of grant to the number equal to 20% of the number of issued and outstanding common shares at the time of grant, or such other number of common shares as may be permitted by the Canadian Securities Exchange, as described in the accompanying management information circular (the “**Information Circular**”);
- (6) to consider and, if thought fit, to pass an ordinary resolution of the disinterested shareholders to approve the management agreement dated September 1, 2020 between the Company and Big Sky Management Ltd., as described in the Information Circular;
- (7) to consider and, if thought fit, to pass an ordinary resolution of the disinterested shareholders to approve the management agreement dated September 1, 2020 between the Company and Thomas English, as described in the Information Circular;
- (8) to consider and, if thought fit, to pass an ordinary resolution of the disinterested shareholders to approve the management agreement dated September 1, 2020 between the Company and Chelmer Consulting Corp., as described in the Information Circular; and
- (9) to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of Meeting (the “**Notice of Meeting**”).



The board of directors of the Company has fixed June 28, 2021 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

In view of the current and rapidly evolving COVID-19 outbreak, the Company will not be providing a physical location for shareholders to attend the Meeting in person. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. To access the Meeting by teleconference, dial toll free at 1-877-385-4099, participant access code: 4838508#.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, or a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

**DATED** at Vancouver, British Columbia, this 5th day of July, 2021.

By Order of the Board of Directors of

**TRENCHANT CAPITAL CORP.**

*“Eric Boehnke”*

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Eric Boehnke  
Chief Executive Officer and Director

**PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED FORM OF PROXY AND PROMPTLY RETURN IT IN THE ENVELOPE PROVIDED.**

**TRENCHANT CAPITAL CORP.**  
Suite 1790 - 1066 West Hastings Street  
Vancouver, BC V6E 3X1  
Telephone: 604.307.4274

**INFORMATION CIRCULAR**  
**July 5, 2021**

**INTRODUCTION**

This information circular (the “**Information Circular**”) accompanies the notice of annual general and special meeting of shareholders (the “**Notice**”) of Trenchant Capital Corp. (the “**Company**”) and is furnished to shareholders (each, a “**Shareholder**”) holding common shares (each, a “**Share**”) of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. (Vancouver time) on Wednesday, August 4, 2021 via teleconference only at dial toll free at 1-877-385-4099, participant access code: 4838508#, or at any adjournment or postponement thereof.

**Date and Currency**

The date of this Information Circular is July 5, 2021. Unless otherwise stated, all amounts herein are in Canadian dollars.

**COVID**

In view of the current and rapidly evolving COVID-19 outbreak, the Company will not be providing a physical location for shareholders to attend the Meeting in person. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. To access the Meeting by teleconference, dial toll free at dial toll free at 1-877-385-4099, participant access code: 4838508#.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation to any of the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers who are NOBOs (as defined below), and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in

which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### **Appointment of Proxy**

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Share that such Shareholder holds on the record date of June 28, 2021 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.**

**A SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in his sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder’s attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder’s attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing

procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

### **Voting of Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the proxy. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares of a Shareholder on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.** If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of all Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by his, her or its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients

to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. If Beneficial Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the applicable Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his, her or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his, her or its Shares.

Beneficial Shareholders consist of non-objecting beneficial owners (each, a “**NOBO**”) and objecting beneficial owners (each, an “**OBO**”). A NOBO is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators. An OBO means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under NI 54-101.

The Company is sending proxy-related materials directly to NOBOs of the Shares. The Company will not pay for the delivery of proxy-related materials to OBOs of the Shares under NI 54-101 and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary*. The OBOs of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

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

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the “**Board**”) to be the close of business on June 28, 2021, a total of 34,211,286 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Company, other than as set forth below:

Name of Shareholder	Number of Shares Owned	Percentage of Outstanding Shares <sup>(1)</sup>
Eric Boehnke	4,981,928 <sup>(2)</sup>	14.56%
Thomas English	5,767,445 <sup>(3)</sup>	16.86%

<sup>(1)</sup> Based on 34,211,286 Shares issued and outstanding as of June 28, 2021.

<sup>(2)</sup> Does not include 180,000 Shares that may be issuable on exercise of stock options at an exercise price of \$0.25 per Share until March 29, 2022, all of which may be exercised within the next 60 days.

<sup>(3)</sup> 4,919,945 of these Shares are held in the name of PI Financial Corp. ITF Tom English. Does not include 180,000 Shares that may be issuable on exercise of stock options at an exercise price of \$0.25 per Share until March 29, 2022, all of which may be exercised within the next 60 days.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended March 31, 2021, together with the auditor's report thereon, will be presented to the Shareholders at the Meeting. The Company's financial statements and management discussion and analysis are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at four (4). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management of the Company recommends the approval of setting the number of directors of the Company at four (4).**

## ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

Management of the Company proposes to nominate all of the current directors of the Company, as set out in the table below, for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
Eric Boehnke <sup>(2)(3)</sup> British Columbia, Canada  <i>Chief Executive Officer and Director</i>	Chief executive officer of the Company since May 26, 2014; President of Big Sky Management Ltd., a private company providing corporate finance and administrative management services, since 1996.	May 26, 2014	4,981,928 <sup>(4)</sup>
Thomas English <sup>(2)(3)</sup> Ontario, Canada  <i>Director</i>	Director of the Company since May 25, 2016; president and chief executive officer of AC Group since February 2015; and co-head of institutional equity sales at Salman Partners from 2001 to February 2015.	May 25, 2016	5,767,445 <sup>(5)</sup>
Jennie Choboter British Columbia, Canada  <i>Chief Financial Officer, Secretary and Director</i>	Chief Financial Officer and Secretary of the Company since May 2014 and a director since December 10, 2018; and Chief Financial Officer of the British Columbia Innovation Council since December 2012.	December 10, 2018	Nil <sup>(6)</sup>
Darren Devine <sup>(2) (3)</sup> British Columbia, Canada  <i>Director</i>	Principal of CDM Capital Partners Inc. since April, 2011; director of TrackX Holdings Inc. since August 6, 2020; director and chairman of Dolly Varden Silver Corporation since August 25 2016; director of Chakana Copper Corp. since January 29, 2018; director of Just Kitchen Holdings Corp. since March 31, 2021 and director of WSM Ventures Inc. since April 5, 2018.	November 10, 2020	500,000 <sup>(7)</sup>

(1) Information has been furnished by the respective nominees individually.

(2) Member of the Audit Committee.

(3) Member of the Investment Committee.

(4) Does not include 180,000 Shares that may be issuable on exercise of stock options at an exercise price of \$0.25 per Share until March 29, 2022, all of which may be exercised within the next 60 days.

(5) 4,919,945 of these Shares are held in the name of PI Financial Corp. ITF Tom English. Does not include 180,000 Shares that may be issuable on exercise of stock options at an exercise price of \$0.25 per Share until March 29, 2022, all of which may be exercised within the next 60 days

(6) Does not include 125,000 Shares that may be issuable on exercise of stock options at an exercise price of \$0.25 per Share until March 29, 2022, all of which may be exercised within the next 60 days.

(7) Does not include 250,000 Shares that may be issuable on exercise of stock options at an exercise price of \$0.25 per Share until March 29, 2022, all of which may be exercised within the next 60 days.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Shares represented by proxies for the election of any other persons as directors.

**Management of the Company recommends the election of each of the nominees listed above as a director of the Company.**

### *Orders*

Except as disclosed below, to the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

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

In August 2015, when Eric Boehnke and Jennie Choboter were directors and/or officers of the Company, the British Columbia Securities Commission (the "BCSC") issued a cease trade order against the Company for failure to file its annual audited financial statements and management discussion and analysis for the year ended March 31, 2015, and trading in the Shares was halted by the TSX Venture Exchange (the "TSXV"). In January 2016, the BCSC issued a partial revocation order in respect of the cease trade order, pursuant to which the Company was permitted to undertake a \$600,000 private placement, in order to enable the Company to complete its delinquent filings. The BCSC revoked the cease trade order on April 25, 2016, when the outstanding filings were completed, and the TSXV reinstated trading in the Shares on the NEX board of the TSXV on May 3, 2016.

### *Bankruptcies*

To the best of management's knowledge, no proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

### *Penalties and Sanctions*

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

For the purpose of this Statement of Executive Compensation:



“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year, and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

#### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

<b>Name and Position</b>	<b>Year</b>	<b>Salary, Consulting Fee, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or Meeting Fees (\$)</b>	<b>Value of Perquisites<sup>(1)</sup> (\$)</b>	<b>Value of All Other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
Eric Boehnke <sup>(2)</sup> <i>President, CEO and Director</i>	2021	110,250 <sup>(6)</sup>	Nil	Nil	Nil	Nil	110,250
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Jennie Choboter <sup>(3)</sup> <i>CFO, Secretary and Director</i>	2021 2020	31,500 31,701	Nil Nil	Nil Nil	Nil Nil	Nil Nil	31,500 31,701
Thomas English <sup>(4)</sup> <i>Director</i>	2021 2020	118,650 <sup>(7)</sup> Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	118,650 Nil
Darren Devine <sup>(5)</sup> <i>Director</i>		110,250 <sup>(8)</sup> N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	110,250 N/A

(1) "Perquisites" include perquisites provided to a NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(2) Eric Boehnke has been the CEO and a director of the Company since May 26, 2014.

(3) Jennie Choboter has been the CFO and Secretary of the Company since May 26, 2014 and a director of the Company since December 10, 2018.

(4) Thomas English has been a director of the Company since May 25, 2016.

(5) Darren Devine has been a director of the Company since November 10, 2020.

(6) Pursuant to a management agreement with Big Sky Management Ltd., a consulting company wholly owned by Eric Boehnke, Big Sky Management Ltd. has accrued \$15,000 per month plus GST from September 1, 2020 to March 31, 2021. See "Statement of Executive Compensation - Employment, Consulting and Management Agreements", below for a description of the management agreement.

(7) Pursuant to a management agreement with Thomas English, Burton Financial, a company wholly owned by Thomas English, has accrued \$15,000 per month plus HST from September 1, 2020 to March 31, 2021. See "Statement of Executive Compensation - Employment, Consulting and Management Agreements", below for a description of the management agreement.

(8) Pursuant to a management agreement with Chelmer Consulting Corp., a consulting company wholly owned by Darren Devine, Chelmer Consulting Corp. has accrued \$15,000 per month plus GST from September 1, 2020 to March 31, 2021. See "Statement of Executive Compensation - Employment, Consulting and Management Agreements", below for a description of the management agreement.

## Stock Options and Other Compensation Securities

During the year ended March 31, 2021, the Company did not issue any stock options.

As at March 31, 2021:

- (a) Eric Boehnke, the CEO and a director of the Company, owned an aggregate of 180,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share exercisable at a price of \$0.25 per Share until March 29, 2022;
- (b) Jennie Choboter, the CFO, Secretary and a director of the Company, owned an aggregate of 125,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share exercisable at a price of \$0.25 per Share until March 29, 2022; and
- (c) Thomas English, a director of the Company, owned an aggregate of 180,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share exercisable at a price of \$0.25 per Share until March 29, 2022.

All of the stock options set out above vest annually over three years, with 1/3 of the stock options vesting each year commencing on the date of grant, being March 29, 2019.

## **Exercise of Compensation Securities by Director and NEOS**

No compensation securities were exercised by directors and NEOs during the year ended March 31, 2021.

## **Stock Option Plans and Other Incentive Plans**

The Company's current stock option plan (the "**Plan**") is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The purpose of the Plan is to: (i) attract and retain directors, officers, employees and consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under the Plan and (ii) recognize contributions made by eligible persons and to create an incentive for their continuing assistance to the Company and its affiliates. The Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Plan to such directors, officers, employees, or consultants of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of options will be determined by the Board, but such price will not be less than the minimum prevailing price permitted by the Canadian Securities Exchange (the "**Exchange**"). All options granted under the Plan will expire not later than the maximum exercise period as determined by the applicable securities laws and the policies of the Exchange. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 30 days from date of termination other than for cause; (iii) one year from the date of disability; or (iv) one year from the date of death. Options granted under the Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Unless authorized by the shareholders of the Company in accordance with applicable securities laws, the number of Shares reserved for issuance under the Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, is subject to the restrictions imposed under applicable securities laws.

As of the date of this Information Circular, there were 1,160,000 stock options outstanding.

At the Meeting, Shareholders will be asked to ratify, confirm and approve an ordinary resolution to approve an increase in the number of Shares issuable pursuant to the Plan from 10% of the number of issued and outstanding Shares at the time of grant to the number equal to 20% of the number of issued and outstanding Shares at the time of grant, or such other number of Shares as may be permitted by the Exchange. See "*Particulars of Matters to be Acted Upon – Approval of Amendment to Stock Option Plan*", below for a summary of the Plan.

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

Other than as set out below, the Company is not party to any formal employment, consulting or management agreements with respect to any NEOs or directors.

Effective September 1, 2020, the Company entered into a management agreement (the "**Agreements**") with each of Big Sky Management Ltd. ("**Big Sky**"), a consulting company owned by Eric Boehnke, Chelmer Consulting Corp. ("**Chelmer**"), a consulting company owned by Darren Devine and Thomas English ("**English**", and collectively with Big Sky and Chelmer, the "**Consultants**") pursuant to which the

Company agreed to pay each of the Consultants a management of \$15,000 (the “**Base Fee**”) per month for the time and effort that the Consultants have contributed to the Company as advisers to the Company. Each management agreement is for an initial three year term (the “**Term**”) and renews automatically for one year terms each year thereafter unless either the Company or the Consultant gives 180 calendar days’ written notice to the other of its intention not to renew the respective agreement. In addition to the Base Fee, the Company may, in its absolute discretion consider paying bonuses or other compensation at intervals through the Term. In order to assist the Company during its present transition period and low capital, the Consultants agreed to accrue the Base Fee until the earlier of the raising of an aggregate of not less than one million dollars Canadian (through investments, dividends or returns of capital derived from its business as an Investment Issuer) or December 31, 2021.

In addition to the Base Fee, the Consultants shall also receive an incentive fee (the “**Incentive Fee**”) which shall be no less than that established by the Board for other comparable management. The Incentive Fee shall be based on the following examples, but not limited to, (a) working capital raised, (b) sourcing and financing of investments, (c) divestiture of investments; (d) share price appreciation and other Company milestones.

Each of the agreements may be terminated by either party upon written notice if:

- (a) the other party fails to cure a material breach of any provision of the agreement within 30 calendar days from its receipt of written notice from said party (unless such breach cannot be reasonably cured within said 30 calendar days and the other party is actively pursuing curing of said breach); or
- (b) the other party commits fraud or serious neglect or misconduct or illegal act and is convicted in a court of law in the discharge of its respective duties hereunder or under the law; or
- (c) the other party becomes adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, and where any such petition is not dismissed.

In the event of the agreement being terminated prior to the end of the term, the Consultants shall receive a termination fee equal to the sum of:

- (i) at the Consultant’ election, buy-out of any outstanding stock options (both vested and unvested portions as if all are vested) for a price equal to the fair market value of the Company’s shares, determined for the 30 days preceding termination and as determined in accordance with accounting principles, multiplied by the number of shares under option and less the exercise price thereof or, at the optionee’s election and subject to any required regulatory approval, extension of the option, and full vesting of the same, for a period of one (1) year after termination or, at the optionee’s election, the immediate vesting and exercise of all granted options and the immediate right to employ ‘net exercise’ (non-cash exercise) privileges; plus
- (ii) the greater of:
  - A. the aggregate remaining Base Fee for the unexpired remainder of the Term; or
  - B. 1 x annual Base Fee (Base Fee multiplied by twelve);

but that such aggregate sum (not including section (i) amounts) shall not exceed the Base Fee multiplied by 36 (this section (ii) is called the “**Non-Option Termination Fee**” as a sub-component of the Termination Fee).

At the Company’s election (such election to be made within 15 days of the effective date of termination, as defined in the agreements) the Non-Option Termination Fee may be paid in twelve (12) equal monthly installments commencing with the first payment 15 days after the effective date of termination. In the event of failure to elect or any dispute as to quantum of the Termination Fee (any claimed set-off or counterclaim shall not be deducted from the Termination Fee but shall only be recovered after any judgment), payment thereof shall not be delayed or deferred but shall be made in full immediately at an amount established by the Consultant’s selected accountant (if the Consultant fails to appoint an accountant within ten (10) days of Company demand, then the quantum shall be established by an accountant selected by the Company). The amount of such Termination Fee as determined by the accountant shall be irrevocably deemed an amount due and certain and immediately exigible and payable and the Company waives all defenses to immediate payment of the same and any counterclaims or deductions or set-offs or other allegations of any nature shall not affect the immediate collectability of the total Termination Fee. If the Company fails to pay or disputes the quantum of the Termination Fee as determined by the accountant then the Consultant may acquire summary judgment for the same to which the Company concurs and attorns. Any claims by the Company against the Consultant shall not interrupt payment of the Termination Fee and any Company claims shall be paid by the Consultant only when and in accordance with judgment if a court should find against the Consultant.

### **Oversight and Description of Director and NEO Compensation**

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for performance philosophy.

Compensation for this financial year and prior financial years has historically been based upon a negotiated salary, with stock options and bonuses potentially being issued and paid as an incentive for performance.

As the Company does not have a compensation committee, the Board has the responsibility to administer compensation policies related to the executive management, being the CEO, the CFO and the Secretary, including the grant of compensation securities.

In the future, the Company may grant stock options under the Plan. A determination to make such a grant may take into account the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company, as well as the number of stock options, if any, previously granted to each executive officer, and the exercise price of any outstanding stock options, to ensure that such grants are in accordance with the policies of the TSXV, and to align the interests of the executive officers with the interests of the Shareholders.

The Board has not adopted any specific policies or practices to determine the compensation for the Company’s directors and officers, other than as disclosed above. Given the Company’s current stage of development, the Company has not established a compensation committee.

### **Pension Plan Benefits**

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Plan, being the Company’s only equity compensation plan, as of March 31, 2021.

Plan Category	Number of Shares to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup>
Equity compensation plans approved by Shareholders	1,160,000	\$0.25	6,935
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A
<b>Total</b>	<b>1,160,000</b>	<b>\$0.25</b>	<b>6,935</b>

(1) The Company does not have any warrants or rights outstanding under any equity compensation plans.

(2) The Plan is a rolling stock option plan under which the Company can issue such number of options as is equal to 10% of the Company’s issued and outstanding Shares from time to time. As of June 28, 2021, there were 34,211,286 Shares outstanding and the Company could issue up to 3,421,128 options to acquire Shares on such date.

### APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants as auditors of the Company for the fiscal year ending March 31, 2022, and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending March 31, 2022. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management of the Company recommends that Shareholders vote for the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the Company’s auditors for the Company’s fiscal year ending March 31, 2022 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending March 31, 2022.**

### AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – *Audit Committees* (“NI 52-110”), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding the composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the “**Audit Committee**”).

#### The Audit Committee Charter

The full text of the Company’s audit committee charter (the “**Audit Committee Charter**”) is as follows:

## **1. MANDATE**

The Audit Committee will assist the Board in fulfilling its financial oversight responsibilities. The Audit Committee will review and consider, in consultation with the Company's external auditors, the financial reporting process, the system of internal control over financial reporting, and the audit process. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each Audit Committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Company's business, operations and risks.

## **2. COMPOSITION**

The Board will appoint, from among their membership, an Audit Committee after each annual meeting of the Shareholders of the Company. The Audit Committee will consist of a minimum of three directors.

### *2.1 Independence*

A majority of the members of the Audit Committee must be "independent" (as defined in section 1.4 of NI 52-110).

### *2.2 Expertise of Committee Members*

A majority of the members of the Audit Committee must be "financially literate" (as defined in section 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. At least one member of the Audit Committee must have accounting or related financial management expertise.

## **3. MEETINGS**

The Audit Committee shall meet in accordance with a schedule established each year by the Board, and at other times that the Audit Committee may determine. The Audit Committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

## **4. ROLES AND RESPONSIBILITIES**

The Audit Committee shall fulfill the following roles and discharge the following responsibilities:

### *4.1 External Audit*

The Audit Committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the Audit Committee shall:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (e) review and confirm the independence of the external auditors by reviewing the nonaudit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (f) review and approve the Company's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Company.

#### 4.2 *Internal Control*

The Audit Committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the Audit Committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the Audit Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### 4.3 *Financial Reporting*

The Audit Committee shall review the financial statements and financial information of the Company prior to their release to the public. In carrying out this duty, the Audit Committee shall:

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;

##### *Annual Financial Statements*

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered;
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public;



*Interim Financial Statements*

- (a) review and approve the interim financial statements prior to their release to the public;
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public; and

*Release of Financial Information*

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public. An audit committee must be satisfied 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 must periodically assess the adequacy of those procedures.

4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the Audit Committee.

*Delegation of Authority*

- (a) The Audit Committee may delegate to one or more independent members of the Audit Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Audit Committee at its next scheduled meeting.

*De-Minimis Non-Audit Services*

- (a) The Audit Committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

- (a) The Audit Committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;

- (ii) the Audit Committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the Audit Committee's responsibilities to management.

#### 4.5 *Other Responsibilities*

The Audit Committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

#### 4.6 *Reporting Responsibilities*

The Audit Committee shall regularly update the Board about committee activities and make appropriate recommendations.

### **5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE**

The Audit Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

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

### **6. GUIDANCE - ROLES & RESPONSIBILITIES**

The Audit Committee should consider undertaking the actions described in the following guidance, which is intended to provide the Audit Committee members with additional guidance on fulfilment of their roles and responsibilities on the Audit Committee:

6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

6.2 *Financial Reporting*

*General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

*Annual Financial Statements*

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to Audit Committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the Audit Committee.

*Interim Financial Statements*

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the Company's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Company's financial and operating controls are functioning effectively;
  - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures.

### 6.3 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

### 6.4 *Other Responsibilities*

- (a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.

## **Composition of the Audit Committee**

The Audit Committee is comprised of three directors consisting of Eric Boehnke, Thomas English, and Darren Devine. As defined in NI 52-110, Mr. Boehnke, the Company's CEO is not "independent", as he an executive officer of the Company, and Messrs. English and Devine are independent. All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

### **Relevant Education and Experience**

The following sets out the education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as an Audit Committee member and that provides each member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting:

Mr. Boehnke is a former CEO, Executive Vice-Chairman and director of Terrace Energy Corp., a TSXV listed oil and gas exploration and production company with projects in the United States. He has served as director and on the audit committees of a number of Toronto Stock Exchange and TSXV listed companies. Mr. Boehnke is also the President and a director of Big Sky Management Ltd., a private company principally involved with providing corporate finance services to private and public companies. Mr. Boehnke holds a Bachelor of Science from the University of Toronto.

Mr. English has over 20 years of experience in the financial industry and has held numerous senior roles at investment banks including CIBC and Salman Partners. Mr. English has provided financial solutions for both small and large cap companies across all business sectors. During his career, he has been involved in various capital transactions, including financings (debt, equity, IPO) and mergers and acquisition advisory assignments in Canada, South America and the United States. Mr. English holds a Bachelor of Arts from the University of Western Ontario.

Mr. Devine is a principal of CDM Capital Partners Inc., a firm that provides corporate finance advisory services to private and public companies. Mr. Devine also acts as a director or officer to a number of junior public companies in the natural resources and technology sectors. Mr. Devine currently serves on the board of directors of four TSX Venture Exchange listed companies, TrackX Holdings Inc., as a director, Chakana Copper Corp., as a director, Just Kitchen Holdings Corp., as a director and Dolly Varden Silver Corp., as Chairman of the Board and one Canadian Securities Exchange (the "Exchange") company WSM Ventures Inc., as a director. In addition, he is currently an active member of the TSX Venture Exchange's Local Advisory Committee. Mr. Devine is qualified as a barrister and solicitor in British Columbia, as well as in England and Wales. Prior to founding CDM Capital Partners Inc., Mr. Devine practiced exclusively in the areas of corporate finance and securities law.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-Audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

### Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board and the Audit Committee, on a case-by-case basis, as applicable.

### External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

Year Ended March 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2021	\$23,382	Nil	\$2,100	Nil
2020	\$23,382	\$12,375	\$2,100	\$3,000

### Exemption

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

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both, carrying more than ten percent of the voting rights attached to the Shares outstanding (each, an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person or company will receive no extra or special benefit or advantage not shared on a *pro rata* basis by all holders of the same class of Shares.

## MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company, except as otherwise described in this Information Circular.

## CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

### **Board of Directors**

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings or unanimous consent resolutions of the Board. The Board is currently comprised of four directors, consisting of Eric Boehnke, Jennie Choboter, Thomas English and Darren Devine. The Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company. The majority of the Board members are not independent. Eric Boehnke is not independent as he is the CEO of the Company. Jennie Choboter is not independent as she is the CFO and Secretary of the Company.

The Company has not developed written position descriptions for the chair and the chair of each board committee. The Board and CEO have not developed a written position description for the CEO. The directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are able to meet at any time without any members of management including the non-independent directors being present. The Board expects management to operate the business of the Company with a high level of integrity.

Management is expected to execute the Company's business plan and to meet performance goals and objectives.

### Directorships

Certain directors of the Company are currently also directors of other reporting issuers, as described in the table below:

Name of Director of the Company	Names of Other Reporting Issuers
Eric Boehnke	Dragonfly Capital Corp. (NEX Board of TSX Venture Exchange)
	Vinza Capital Management Inc. (Not listed)
Thomas English	Greenhawk Resources Inc. (Cryptologic Corp.) (Canadian Securities Exchange)
	Golden Tag Resources Ltd. (TSX Venture Exchange)
Darren Devine	TrackX Holdings Inc. (TSX Venture Exchange)
	Dolly Varden Silver Corporation (TSX Venture Exchange)
	Chakana Copper Corp. (TSX Venture Exchange)
	Just Kitchen Holdings Corp. (TSX Venture Exchange)
	WSM Ventures Inc. (Canadian Securities Exchange)

### Orientation and Continuing Education

New directors to the Board are provided with access to recent publicly filed documents of the Company, all reports and the Company's internal financial information, access to management, experts and consultants, and a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### Ethical Business Conduct

The Board has not adopted a written ethical business code of conduct for directors, officers and employees. However, the Board found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### Nomination of Directors

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



## Compensation

Members of the Board are not currently compensated for their services as directors. In the event that such compensation is to be paid, it is expected that the Board as a whole will be responsible for determining compensation and that individual directors will abstain from voting in respect of compensation proposed to be paid to themselves.

## Other Board Committees

In addition to the Audit Committee, the Board also has an investment committee (the “**Investment Committee**”). The Investment Committee is comprised of Eric Boehnke, CEO and director, Thomas English, director, and Darren Devine, director.

The Investment Committee monitors the Company’s investment portfolio on an ongoing basis and reviews the status of its investments at least monthly. The Investment Committee is subject to the direction of the Board, and must consist of at least three members, including two members of the Board. The members of the Investment Committee are appointed by the Board, and may be removed or replaced by the Board. Each member of the Investment Committee is required to be financially literate. The members of the Investment Committee are comprised of directors and/or officers of the Company; however, the Company may also utilize, or appoint to the Investment Committee, qualified independent financial or technical consultants approved by the Board to assist the Investment Committee in making its investment decisions. Nominees to the Investment Committee shall be recommended by the Board.

The members of the Investment Committee are appointed annually by the Board at the first Board meeting subsequent to the annual meeting of shareholders or on such other date as the Board shall determine.

## Assessments

The Board regularly monitors the adequacy and effectiveness of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company’s last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, the grant of options which may be granted to such persons upon the approval of the Plan and the approve of the Management Agreements, as further discussed below.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the Plan, pursuant to which they may be granted stock options and the Management Agreements. See “*Statement of Executive Compensation - Stock Options and Other Compensation Securities*”, and “*Statement of Executive Compensation - Employment, Consulting and Management Agreements*” above, for more information.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Approval of Amendment to Stock Option Plan

The Company is seeking Shareholder approval to increase the number of Shares issuable pursuant to the Plan from 10% of the number of issued and outstanding Shares at the time of grant to the number equal to 20% of the number of issued and outstanding Shares at the time of grant, or such other number of Shares as may be permitted by the Exchange.

National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) provides exemptions from the requirement to prepare and file a prospectus in connection with a distribution of securities. As the Company is listed on the Exchange, the Company is classified as an “unlisted reporting issuer” for purposes of the exemption provided in Section 2.24 of NI 45-106 for distributions of securities to employees, executive officers, directors and consultants of the Company (the “**Exemption**”). NI 45-106 restricts the use of the Exemption by “unlisted reporting issuers” such as the Company unless the Company obtains Shareholder approval. Specifically, NI 45-106 provides that the Exemption does not apply to a distribution to an employee or consultant of the “unlisted reporting issuer” who is an investor relations person of the issuer, an associated consultant of the issuer, an executive officer of the issuer, a director of the issuer, or a permitted assign of those persons if, after the distribution,

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to
  - (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
  - (ii) a related person, exceeds 5% of the outstanding securities of the issuer, or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
  - (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
  - (ii) a related person and the associates of the related person, exceeds 5% of the outstanding securities of the issuer.

The term “related person” is defined in NI 45-106 and generally refers to a director or executive officer of the issuer or of a related entity of the issuer, an associate of a director or executive officer of the issuer or of a related entity of the issuer, or a permitted assign of a director or executive officer of the issuer or of a related entity of the issuer. The term “permitted assign” includes a spouse of the person.

In accordance with the requirements of NI 45-106, the Board wishes to provide the following information with respect to the Plan so that the Shareholders may form a reasoned judgment concerning the Plan.

The purpose of the Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire Shares thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Currently under the Plan, the aggregate number of optioned shares that may be issued may not exceed 10% of the number of issued and outstanding Shares at the time of granting of options.

The Board has the discretion to grant options pursuant to the terms of the Plan. Options may be granted to eligible persons, being: directors, executive officers, employees or consultants.

Pursuant to the Plan, the exercise price at the time each option is granted, is subject to the following conditions: (a) if the Shares are listed on a stock exchange, then the exercise price for the options granted will not be less than the minimum prevailing price permitted by such stock exchange; (b) if the Shares are not listed, posted and trading on any stock exchange or quoted on any quotation system, then the exercise price for the options granted will be determined by the Board at the time of granting; and (c) in all other cases, the exercise price shall be determined in accordance with the applicable securities laws and policies of any applicable stock exchange.

The Board shall establish the expiry date for each option at the time such option is granted, subject to the following conditions: (a) the option will expire upon the occurrence of any termination event set out in the Plan; and (b) the expiry date cannot be longer than the maximum exercise period as determined by the applicable securities laws and policies of any applicable stock exchange.

All options granted under the Plan are non-transferable and non-assignable.

Options will expire immediately upon the optionee leaving his or her employment/office except that:

- (a) in the case of death of an optionee, any vested options held by the deceased at the date of death will become exercisable by the optionee's estate until the earlier of one year after the date of death and the date of expiration of the term otherwise applicable to such option;
- (b) options granted to an optionee may be exercised in whole or in part by the optionee for a period of 30 days after the optionee ceases to be employed/provide services but only to the extent that such optionee was vested in the option at the date the optionee ceased to be employed/provide services; and
- (c) in the case of an optionee dismissed from employment/service for cause, such options, whether vested or not, will immediately terminate without right to exercise same.

The Company must obtain approval of the Shareholders other than votes attaching to securities beneficially owned by related persons to whom securities may be issued as compensation or under that plan.

As of the date of this Information Circular, to the Company's knowledge, a total of 11,249,373 Shares are held by officers and directors of the Company and will not be included for the purpose of determining whether Shareholder approval of the Plan has been obtained.

A copy of the Plan is attached as Schedule "A" to the Information Circular dated November 10, 2020 and filed on SEDAR at [www.sedar.com](http://www.sedar.com). A copy of the Plan is also available free of charge at the office of the Company, Suite 1790 - 1066 West Hastings Street, Vancouver, BC V6E 3X1, during normal business hours up to and including the date of the Meeting.

At the Meeting, disinterested Shareholders will be asked to approve the following ordinary resolution (the "**Plan Resolution**"), which must be approved by at least a majority of the votes cast by disinterested Shareholders represented in person or by proxy at the Meeting who vote in respect of the Plan Resolution:

"BE IT RESOLVED as an ordinary resolution of the disinterested Shareholders, with or without amendment, that:

1. the maximum number of common shares of the Company reserved for issuance under the Stock Option Plan (the “**Plan**”) be increased from 10% of the number of issued and outstanding Shares at the time of grant to the number equal to 20% of the number of issued and outstanding Shares at the time of grant, or such other number of Shares as may be permitted by the Canadian Securities Exchange (the “**Exchange**”);
2. the board of directors of the Company be authorized in its absolute discretion to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the Exchange; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution, including making any amendments to the Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company.”

The form of the Plan Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the Plan Resolution.

**Management of the Company recommends that disinterested Shareholders vote in favour of the Plan Resolution at the Meeting. It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Plan Resolution.**

#### **Approval of Management Agreements**

The Company has entered into a Management Agreement with each of Big Sky, Chelmer and English pursuant to which the Company agreed to pay each of the Consultants a Base Fee for the time and effort that the Consultants have contributed to the Company as advisers to the Company. See “*Statement of Executive Compensation - Employment, Consulting and Management Agreements*” above for details of the Management Agreements. A copy of each of the Management Agreements with Big Sky, Chelmer and English is attached as Schedule “A” to this Information Circular.

The Management Agreements were approved by the Board with each of Eric Boehnke, English and Darren Devine abstaining from voting on his respective Management Agreement.

The Board is requesting that Shareholders affirm, ratify and approve the Management Agreements.

#### *Management Agreement – Big Sky*

Accordingly, at the Meeting, disinterested Shareholders will be asked to approve the following ordinary resolutions (the “**Big Sky Management Agreement Resolution**”), which must be approved by at least a majority of the votes cast by disinterested Shareholders represented in person or by proxy at the Meeting who vote in respect of the Big Sky Management Agreement Resolution:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF DISINTERSTED SHAREHOLDERS THAT:

1. the management agreement dated September 1, 2020 between the Company and Big Sky Management Ltd., be and is hereby affirmed, ratified and approved; and
2. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution, including making any amendments to the Big Sky Management Agreement as may be required by regulatory authorities, without further approval of the Shareholders of the Company.”

The form of the Big Sky Management Agreement Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the Big Sky Management Agreement Resolution.

**Management of the Company recommends that disinterested Shareholders vote in favour of the Big Sky Management Agreement Resolution at the Meeting. It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Big Sky Management Agreement Resolution.**

*Management Agreement - English*

Accordingly, at the Meeting, disinterested Shareholders will be asked to approve the following ordinary resolutions (the “**English Management Agreement Resolution**”), which must be approved by at least a majority of the votes cast by disinterested Shareholders represented in person or by proxy at the Meeting who vote in respect of the English Management Agreement Resolution:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF DISINTERSTED SHAREHOLDERS THAT:

1. the management agreement dated September 1, 2020 between the Company and Thomas English, be and is hereby affirmed, ratified and approved; and
2. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution, including making any amendments to the English Management Agreement as may be required by regulatory authorities, without further approval of the Shareholders of the Company.”

The form of the English Management Agreement Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the English Management Agreement Resolution.

**Management of the Company recommends that disinterested Shareholders vote in favour of the English Management Agreement Resolution at the Meeting. It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the English Management Agreement Resolution.**

### *Management Agreement - Chelmer*

Accordingly, at the Meeting, disinterested Shareholders will be asked to approve the following ordinary resolutions (the "**Chelmer Management Agreement Resolution**"), which must be approved by at least a majority of the votes cast by disinterested Shareholders represented in person or by proxy at the Meeting who vote in respect of the Chelmer Management Agreement Resolution:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF DISINTERSTED SHAREHOLDERS THAT:

1. the management agreement dated September 1, 2020 between the Company and Chelmer Consulting Corp., be and is hereby affirmed, ratified and approved; and
2. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution, including making any amendments to the Chelmer Management Agreement as may be required by regulatory authorities, without further approval of the Shareholders of the Company."

The form of the Chelmer Management Agreement Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the Chelmer Management Agreement Resolution.

**Management of the Company recommends that disinterested Shareholders vote in favour of the Chelmer Agreement Resolution at the Meeting. It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Chelmer Management Agreement Resolution.**

### **ADDITIONAL INFORMATION**

Shareholders may contact the Company at its office by mail at Suite 1790 - 1066 West Hastings Street, Vancouver, BC V6E 3X1, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's audited financial statements and MD&A for the most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available at [www.sedar.com](http://www.sedar.com).

### **OTHER MATTERS**

Other than the above, management of the Company know of no other matters to come before the Meeting other than those referred to in the Notice. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the Designated Persons named therein to vote on such matters in accordance with their best judgment.

**APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized, by the Board.

Dated at Vancouver, British Columbia this 5<sup>th</sup> day of July, 2021.

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
TRENCHANT CAPITAL CORP.**

*"Eric Boehnke"*

\_\_\_\_\_  
Eric Boehnke

Chief Executive Officer and Director

**SCHEDULE "A"**

**MANAGEMENT AGREEMENTS**



## MANAGEMENT AGREEMENT

**THIS AGREEMENT** is made and dated for reference as of the 1<sup>st</sup> day of September, 2020 (the “**Effective Date**”)

BETWEEN:

**TRENCHANT CAPITAL CORP.**, a British Columbia corporation having an address at  
1790, 1066 West Hastings Street, Vancouver, BC, V6E 3X1

(the “**Company**”)

OF THE FIRST PART

AND:

**BIG SKY MANAGEMENT LTD** a British Columbia corporation  
having an address at: 3950 Bayridge Court, West Vancouver, BC V7V 3K3

(“**Consultant**”)

OF THE SECOND PART

(the Company and Consultant being hereinafter singularly also referred to as a “**Party**” and collectively referred to as the “**Parties**” as the context so requires)

**WHEREAS:**

- A. The Company is in the business of making investments in businesses or assets and is listed as an Investment Issuer on the Canadian Securities Exchange;
- B. Consultant has directly contributed his, her or its time and effort to the Company, and its subsidiaries and affiliates, as adviser, without contract;
- C. The Company believes that Consultant is a key person for its development, wants to ensure his long-term commitment to the Company, wishes to recognize his critical contributions to the Company’s development to date and accordingly wishes to retain Consultant as a member of the Board of Directors and advisor to the Company;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual covenants and provisos herein contained, including the Services provided to the Company and the corresponding obligation of the Company for the payment of the Base Fee to the Consultant since September 1, 2020, **THE PARTIES HERETO AGREE AS FOLLOWS:**

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following words and phrases shall have the following meanings:

- (a) **“Agreement”** means this Agreement as from time to time supplemented or amended;
- (b) **“Base Fee”** means that compensation set forth in section 4.1 below;
- (c) **“Board of Directors”** or **“Board”** means the Board of Directors of the Company, or any successors to the Company, as duly constituted from time to time;
- (d) **“Effective Date”** has the meaning ascribed to it at the beginning of the first page hereto;
- (e) **“Indemnified Party”** has the meaning ascribed to it in section 7.1 herein below;
- (f) **“Non-Renewal Notice”** has the meaning ascribed to it in section 3.2 herein below;
- (g) **“Term”** has the meaning ascribed to it in section 3.1 herein below; and
- (h) **“Termination Fee”** has the meaning ascribed to it in section 3.4 below.

## 1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, section or other subdivision of this Agreement;
- (b) the headings are for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope or extent of this or any provision of this Agreement;
- (c) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity; and
- (d) words in the singular include the plural and words in the masculine gender include the feminine and neuter genders, and *vice versa*.

## ARTICLE 2 SERVICES AND DUTIES OF NAME

### 2.1 General Services

During the Term (as hereinafter defined) of this Agreement Consultant (through its principal) will provide the Company, and its subsidiaries and affiliates, as needed on a part-time basis with such general corporate, administrative, technical and management services as is considered necessary or advisable for the Company to achieve the goals and needs of the Company as determined by the policies, directions, and proceedings of management and the Board of Directors and as is considered within the normal duties of an adviser (collectively, the **“Services”**) or in such other capacity as the Company may reasonably assign within the abilities and capacities of Consultant.

### 2.2 Company Support

The Company shall reasonably make available all such resources as shall be required for Consultant to perform the Services and otherwise to fulfill the requirements of this Agreement. The Company

covenants it shall provide Consultant with all such reasonable resources, financial and otherwise, as Consultant shall require to fulfill its reasonable goals as determined by the Board and this Agreement.

### ARTICLE 3 TERM, RENEWAL AND TERMINATION

#### 3.1 Term

The Term of this Agreement (the “**Term**”) is for a period of approximately three (3) years commencing on September 1, 2020 and terminating August 31, 2023.

#### 3.2 Renewal

This Agreement shall renew automatically for subsequent one (1) year periods if not specifically terminated in accordance with the following provisions. Renewal shall be on the same terms and conditions contained herein, unless modified and agreed to in writing by the Parties, and this Agreement shall remain in full force and effect (with any collateral written amendments) without the necessity to execute a new document. A Party hereto determining not to renew agrees to notify the other Parties hereto in writing at least one hundred and eighty (180) calendar days prior to the end of the Term of its intent not to renew this Agreement (the “**Non-Renewal Notice**”) and such non-renewal shall be subject to the Termination Fee provisions of section 3.4.

#### 3.3 Termination

Notwithstanding any other provision of this Agreement, this Agreement may be terminated by a Party upon written notice if:

- (a) the other Party fails to cure a material breach of any provision of this Agreement within thirty (30) calendar days from its receipt of written notice from said Party (unless such breach cannot be reasonably cured within said thirty (30) calendar days and the other Party is actively pursuing curing of said breach); or
- (b) the other Party commits fraud or serious neglect or misconduct or illegal act and is convicted in a court of law in the discharge of its respective duties hereunder or under the law; or
- (c) the other Party becomes adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, and where any such petition is not dismissed.

#### 3.4 Termination Fee

- (a) Upon this Agreement being terminated prior to the end of the Term (for any cause other than as set forth in Section 3.3 of this Agreement), Consultant shall receive a termination fee (the “**Termination Fee**”) equal to the sum of:
  - (i) at Consultant’s election, buy-out of any outstanding stock options (both vested and unvested portions as if all are vested) for a price equal to the fair market value of the Company’s shares, determined for the thirty (30) days preceding termination and as determined in accordance with accounting principles, multiplied by the number of shares under option and less the exercise price thereof or, at the optionee’s election and subject to any required regulatory approval, extension of the option, and full vesting of the same, for a period of one (1) year after termination or, at the



optionee's election, the immediate vesting and exercise of all granted options and the immediate right to employ 'net exercise' (non-cash exercise) privileges; plus

- (ii) the greater of:
  - (A) the aggregate remaining Base Fee for the unexpired remainder of the Term;  
or
  - (B) 1 x annual Base Fee (Base Fee multiplied by twelve);

But that such aggregate sum of this section 3.4(a)(ii) (therefore not including section 3.4(a)(i) amounts) shall not exceed the Base Fee multiplied by 36 (this section 3.4(a)(ii) is called the "**Non-Option Termination Fee**" as a sub-component of the Termination Fee).

- (b) At the Company's election (such election to be made within fifteen (15) days of the effective date of termination, as defined hereafter) the Non-Option Termination Fee may be paid in twelve (12) equal monthly installments commencing with the first payment fifteen (15) days after the effective date of termination (being the earlier of the expiry of Agreement after a Non-Renewal Notice or otherwise the date of notice (or constructive notice) of termination or the expiration of notice of default of section 3.3 above). In the event of failure to elect or any dispute as to quantum of the Termination Fee (any claimed set-off or counterclaim shall not be deducted from the Termination Fee but shall only be recovered after any judgment), payment thereof shall not be delayed or deferred but shall be made in full immediately at an amount established by Consultant's selected accountant (if Consultant fails to appoint an accountant within ten (10) days of Company demand, then the quantum shall be established by an accountant selected by the Company). The amount of such Termination Fee as determined by the accountant shall be irrevocably deemed an amount due and certain and immediately exigible and payable and the Company waives all defenses to immediate payment of the same and any counterclaims or deductions or set-offs or other allegations of any nature shall not affect the immediate collectability of the total Termination Fee. If the Company fails to pay or disputes the quantum of the Termination Fee as determined by the accountant then Consultant may acquire summary judgment for the same to which the Company concurs and attorns. Any claims by the Company against Consultant shall not interrupt payment of the Termination Fee and any Company claims shall be paid by Consultant only when and in accordance with judgment if a court should find against Consultant.

### 3.5 Transfer of Agreement

In the event that the Company or its business is sold or otherwise transfers to another corporation then, unless Consultant shall elect to treat such as a wrongful termination (he/it shall not so treat it if the transfer is approved by the majority of stockholders), this Agreement shall be assigned automatically to the successor corporation.

## ARTICLE 4 COMPENSATION OF NAME

### 4.1 Base Fee

- (a) For all services rendered by Consultant under this Agreement, the Company shall pay Consultant, or his/her designated management or professional corporation, a fee (the "**Fee**", also "**Base Fee**") of fifteen thousand (\$15,000) dollars Canadian per month, exclusive of GST.

In addition to the Fee, the Company may, in its absolute discretion consider paying bonuses or other compensation at intervals through the Term. In order to assist the Company during its present transition period and low capital, Consultant agrees to accrue the Base Fee until the earlier of the raising of an aggregate of not less than one million dollars Canadian (through investments, dividends or returns of capital derived from its business as an Investment Issuer) or December 31, 2021.

#### **4.2 Incentive Fee**

In addition to the Fee, Consultant shall also receive an incentive fee (the “**Incentive Fee**”) which shall be no less than that established by the Board for other comparable management. The Incentive Fee shall be based on the following examples, but not limited to, (a) working capital raised, (b) sourcing and financing of investments, (c) divestiture of investments; (d) share price appreciation and other Company milestones.

#### **4.3 Discretionary Bonus**

The Fee and Incentive Fee shall not exclude the granting of discretionary bonuses to Consultant by the Company from time-to-time.

#### **4.4 Reimbursement of Expenses**

Consultant shall be reimbursed for his/her expenses incurred in relation to the completion of the Services. In the event Consultant incurs costs for Company activities, then he/she shall be reimbursed within fifteen (15) days of submission of invoice and support therefore.

#### **4.5 Benefits**

Consultant will not be entitled to participate in any benefit plans of the Company and the Consultant will be responsible for his own medical and health insurance, life insurance and disability insurance costs and will not be entitled to any paid vacation.

#### **4.6 Relationship**

The Company and Consultant each acknowledge and agree that the only relationship of Consultant to the Company created by this Agreement will for all purposes be that of an independent contractor. Nothing in this Agreement or otherwise creates an employment or other relationship between the Company and Consultant or any person performing services for Consultant.

**Consultant** shall generally control the method and manner of performing the Services, and shall be entitled to perform the Services at such locations and at such times as Consultant sees fit, subject to the terms of this Agreement and the Company’s requirements.

Consultant will be responsible for remitting any applicable GST, or any other taxes that may be payable in relation to the performance of the Services.

Consultant will fully indemnify and hold harmless the Company from and against all assessments, claims, liabilities, costs, expenses and damages that the Company may suffer or incur with respect to any such taxes or benefits. For greater clarity, Consultant is solely responsible for the deduction and remissions of income tax, pension and employment insurance in respect of any employees retained Consultant to perform the services under this Agreement. Furthermore, if these amounts are not remitted, Consultant will, in addition to any other provision under this Agreement, indemnify and



hold harmless the Company, its subsidiaries, affiliates and their respective directors and officers from and against any claim for taxes, penalties and for withholding of funds by the applicable tax, worker's compensation, employment standards and insurance agencies or any other government agency with respect to any amount found to be payable by the Company to such agency or commission in respect of the Consultant provision of services under this Agreement, including any legal fees incurred by the Company in defending such claims.

**ARTICLE 5**  
**ADDITIONAL OBLIGATIONS OF [NAME]**

**5.1 Confidentiality and Restrictions**

In accepting this Agreement Consultant is accepting the duty to protect and preserve the Company's and its Parent's affairs, assets and business as follows (to which a liberal interpretation shall be afforded and which shall include the affairs, assets and business of Company affiliates, parents or subsidiaries):

(a) Confidentiality and Competition. To protect the Company:

- (i) Consultant will not, except as authorized or required by his/her duties hereunder, reveal or divulge to any person or companies any Confidential Information (as defined below) concerning the Company or its business, or of any of its subsidiaries or affiliates or parent companies, which may come to Consultant's knowledge during the Term of this Agreement, and Consultant will keep in complete secrecy all Confidential Information entrusted to him/her and will not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Company's business. Consultant warrants he/she will employ best practice to safe-guard information and to maintain confidentiality of Confidential Information. This restriction will continue to apply after the termination of this Agreement without limit in point of time but will cease to apply to information or knowledge (which is not protected by patent, copyright, trade-mark or other protection) which may come into the public domain through no act or fault of his/hers.
- (ii) In this Agreement "**Confidential Information**" shall mean all Company (and affiliates, parents or subsidiaries) information which any of them considers confidential, proprietary, or useful in its business and includes, without restriction and whether marked confidential or not, all information such as know-how, reports, research, engineering, rights and interests, opportunities, designs, drawings, plans, specifications, models, quality controls, trade secrets, software, feedstock, additives, processes, equipment, electronic controllers, patents, devices, methods relevant to the Company's business, organizational charts, business plans, policies, corporate structure, financial information and resources, transactions, contracts and Company customers, contractors and suppliers such as their names, requirements and necessities and Company investors, bankers or other finance sources, and any collateral information which may be in the nature of a latent interest or expectation or corporate opportunity such as inventions, discoveries or improvements conceived, developed or made by the Company or Officers, in whole or in part, or other persons associated with them and all and every other information which would reasonably be considered confidential in the industry or by employment of

reasonable judgment and the burden shall be on Consultant to show that information alleged to be confidential is not.

- (b) Breach of Confidentiality: Consultant acknowledges that the Confidential Information is crucial to the business of the Company (affiliates, parents or subsidiaries) and that in the event of unauthorized disclosure or use of the Confidential Information, which he/she acknowledges would be an act of bad faith as well as a breach of undertaking, the damage to the Company will be irreparable and will not be adequately compensated by monetary award. Accordingly, Consultant agrees that in the event of any such breach, the Company shall be entitled as a matter of right, without notice and prior to service of an originating action in the jurisdiction selected by the Company and on an *ex parte* basis, to apply to Court for relief by way of restraining order, injunction, decree or otherwise as may be appropriate to ensure compliance with the provisions hereof.

## **5.2 Respectful Conduct**

- (a) Consultant shall refrain from effecting negative acts or commentary in respect to the Company or persons associated with it (except as may be in fulfillment of lawful obligations or to validly caution the Company about persons who may injure the Company) both during this Agreement or thereafter including refraining from such acts as spreading false or malicious rumours, comment, or innuendo, initiating communications which bring the reputation of the Company into disfavour or under suspicion, or otherwise effecting negative acts or campaigns towards the Company. All communications with or about the Company or its associated persons shall be balanced, truthful and made for honourable purposes and not to sow discord or other results negative to the Company or its associated persons.
- (b) The Company shall treat Consultant with respect and reasonableness and shall not treat him/her to harassing conduct, unreasonable demands on time, shall respect family commitments and generally shall treat him/her with the deference reasonably accorded a favoured service provider.

## **5.3 Compliance with Applicable Laws**

Consultant will comply with all laws, whether federal, provincial or state, applicable to Consultant's provision of the Services hereunder and, in addition, hereby represents and warrants that any information which Consultant may provide to any person or company hereunder will be accurate and complete in all material respects and not misleading, and will not omit to state any fact or information which would be material to such person or company.

## **5.4 Reporting**

So often as may be required by the Board of Directors, Consultant will provide to the Board of Directors of the Company such information concerning the results of Consultant's Services and activities hereunder as the Board of Directors of the Company may reasonably require. Consultant will present its reports in written form or on an oral basis to the board, as they may request and at the reasonable times they request.

## **5.5 Non-Competition**

During this Agreement and for a period of three (3) years following termination Consultant shall not enter into any activity which would cause restriction or competition to the business of the Company and, without restricting the generality, shall not enter into the service of any competitor, shall not



accept any position or effect any investment with a party which competes with the Company or which intends to compete with the Company, nor take any steps which would negatively affect the Company including such acts as inducing officers, employees, shareholders, financiers, bankers, brokers, suppliers, customers, members or other persons associated with the Company (affiliates, parents or subsidiaries) to leave.

## ARTICLE 6 INDEMNIFICATION AND LEGAL PROCEEDINGS

### 6.1 Indemnification

- (a) The Company shall effect reasonable best efforts to maintain appropriate liability insurance for its officers, directors, personnel and consultants to which Consultant shall be made party.
- (b) The Company shall make Consultant a party to all liability insurance policies, to the fullest extent permitted by such policies, which may be acquired for the benefit of all or any of the Company's board or management. Consultant (the "**Indemnified Party**") shall be indemnified and funded on a current basis for all losses, damages, legal expenses, and any other expenses or costs of any nature which may be occasioned by their service with the Company. *Inter alia*, this indemnity shall apply to all manner of actions, proceedings, or prosecutions, whether civil, regulatory, or criminal, to which the Indemnified Party may be subject, due in whole or in part to the Services provided herein or by virtue of any office held. This indemnity shall apply both during and after its Term for all matters arising during the Term, and any extension, until any limitation period has expired in respect to any action which might be contemplated. The Company shall not refuse coverage for any purpose or reason and a strict presumption of innocence shall be applied and the Company may only seek refund of any coverage in the case of finding of fraud or criminal culpability, after exhaustion of all appeals. The Company shall not be entitled to be reimbursed any costs or expenses in the event settlement or of any finding of civil fault or liability except where fraud has been found and all appeals exhausted. The Company shall diligently seek and support any court approvals for the within indemnity as the Indemnified Party may require. The Company shall pay all such retainers and Trust requirements as counsel for the Indemnified Party may require and shall pay all accounts of counsel as they come due and such accounts shall be rendered in the name of the Company and, further, should the Company fail to pay any reasonable account, it shall attorn to all such actions, summary judgments, and garnishing orders as such counsel may consider fit to enforce and receive payment of its account. On request of the Indemnified Party the Company shall immediately activate, establish and fund, as a fund alienated from the title of the Company and into trust for the Indemnified Party, an Indemnity Agreement of the form attached hereto as Schedule A, with amendments as suggested by the Indemnified Party's counsel, and the fund therein established shall be no less than \$500,000 and up to \$1,000,000(US) if so required by the Indemnified Party. The Company shall not seek to settle or compromise any action without the approval of the Indemnified Party. The Company warrants it shall employ due diligence and good faith and seek the best interests of the Indemnified Party as defendants in any action or prosecution. The Indemnified Party shall permit the Company to consult with their counsel and to be informed of any matters thereof, subject only to any requirements for legal privilege purposes.



**6.2 Claim of Indemnification**

The Parties hereto agree to waive any right they might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming this indemnity.

**6.3 Notice of Claim**

In case any action is brought against an Indemnified Party in respect of which indemnity may be sought, the Indemnified Party will give the Company prompt written notice of any such action of which the Indemnified Party has knowledge. Failure by the Indemnified Party to so notify shall not relieve the Company of its obligation of indemnification hereunder unless (and only to the extent that) such failure results in a forfeiture of substantive rights or defenses.

**ARTICLE 7  
FORCE MAJEURE**

**7.1 Events**

If either Party hereto is at any time either during this Agreement or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of strikes, walk-outs, labour shortages, power shortages, fires, wars, acts of God, earthquakes, storms, floods, explosions, accidents, protests or demonstrations by environmental lobbyists or native rights groups, delays in transportation, breakdown of machinery, inability to obtain necessary materials in the open market, unavailability of equipment, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of that Party, then the time limited for the performance by that Party of its respective obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay.

**7.2 Notice**

A Party shall within seven (7) calendar days give notice to the other Party of each event of *force majeure* under section 7.1 hereinabove, and upon cessation of such event shall furnish the other Party with notice of that event together with particulars of the number of days by which the obligations of that Party hereunder have been extended by virtue of such event of *force majeure* and all preceding events of *force majeure*.

**ARTICLE 8  
NOTICE**

**8.1 Notice**

Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be sent by prepaid registered mail to the Party, or delivered to such Party, at the address for such Party specified on the front page of this Agreement. The date of receipt of such notice, demand or other communication shall be the date of delivery thereof if delivered, or, if given by registered mail as aforesaid, shall be deemed conclusively to be the third day after the same shall have been so mailed, except in the case of interruption of postal services for any reason whatsoever, in which case the date of receipt shall be the date on which the notice, demand or other communication is actually received by the addressee.

## **8.2 Change of Address**

Either Party may at any time and from time to time notify the other Party in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

## **ARTICLE 9 GENERAL PROVISIONS**

### **9.1 Entire Agreement**

This Agreement constitutes the entire agreement to date between the Parties hereto and supersedes every previous agreement, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise; between the Parties with respect to the subject matter of this Agreement.

### **9.2 No Assignment**

This Agreement may not be assigned by either Party except with the prior written consent of the other Party.

### **9.3 Warranty of Good Faith and Reasonable Conduct**

The Parties hereto warrant each to the other to conduct their duties and obligations hereof in good faith and with due diligence and to employ all reasonable endeavours to fully comply with and conduct the terms and conditions of this Agreement. The Company warrants that the parent of the Company will guarantee the obligations of the Company and that where any benefits are properly to be accounted by the parent that the Company shall cause such parent to provide such benefit.

### **9.4 Further Assurances**

The Parties will from time to time after the execution of this Agreement make, do, execute or cause or permit to be made, done or executed, all such further and other acts, deeds, things, devices and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

### **9.5 Applicable Law**

The situs of this Agreement is British Columbia and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws prevailing in British Columbia. This Agreement shall be exclusively litigated in British Columbia unless the Parties voluntarily consent otherwise in writing.

### **9.6 Severability and Construction**

Each Article, section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable, and if, for any reason, any portion of this Agreement is determined to be invalid, contrary to or in conflict with any applicable present or future law, rule or regulation in a final un-appealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which any Party hereto is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible (all of which shall remain binding on the Parties and continue to be given full force and effect as of the date upon which the ruling becomes final).

**9.7 Consents and Waivers**

No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance by such other of its obligations hereunder shall:

- (a) be valid unless it is in writing and stated to be a consent or waiver pursuant to this section;
- (b) be relied upon as a consent to or waiver of any other breach or default of the same or any other obligation or constitute a general waiver under this Agreement; or
- (c) eliminate or modify the need for a specific consent or waiver pursuant to this section in any other or subsequent instance.

**IN WITNESS WHEREOF** the Parties hereto have hereunto set their respective hands and seals in the presence of their duly authorized signatories effective as at the date first above written.

**TRENCHANT CAPITAL CORP.**

Per: "Darren Devine"  
Authorized Signatory

"Eric Boehnke"  
**BIG SKY MANAGEMENT LTD.**  
Per: Eric Boehnke, President



**SCHEDULE A**

**INDEMNITY AGREEMENT**

THIS INDEMNITY AGREEMENT, dated as of SEPTEMBER 1, 2020, is made

BY AND BETWEEN:

**TRENCHANT CAPITAL CORP.**

(the "Company")

AND:

**BIG SKY MANAGEMENT LTD.**

("Indemnitee")

**RECITALS:**

- A. The Company recognises that competent and experienced persons are increasingly reluctant to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance or indemnification, or both, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such persons;
- B. The statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous, or conflicting, and therefore fail to provide such directors or officers with adequate, reliable knowledge of legal risks to which they are exposed or information regarding the proper course of action to take;
- C. The Company and Indemnitee recognise that plaintiffs often seek damages in such large amounts and the costs of litigation may be so enormous (whether or not the case is meritorious), that the defence and/or settlement of such litigation is often beyond the personal resources of individuals;
- D. The Company believes that it is unfair for its directors and officers to assume the risk of huge costs and judgements and other expenses which may occur in cases where the director acted in good faith or merely made errors of judgement less than fraud;
- E. The Board of Directors has determined that contractual indemnification as set forth herein is not only reasonable and prudent, but necessary to promote the best interests of the Company and its shareholders in order to attract and maintain management;

**AGREEMENT:**

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

**1. Definitions**

- (a) **Agent or Indemnitee** - For purposes of this Agreement, "agent" or "indemnitee" or "Indemnitee" of the Company means any person who:

- (i) is or was a director, officer, employee or other agent of the Company or a subsidiary of the Company;
  - (ii) is or was serving at the request of, for the convenience of, or to represent the interest of the Company or a subsidiary of the Company as a director, officer, employee, consultant or agent;
- (b) **Expenses** - For purposes of this Agreement, "**expenses**" includes all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements, other out-of-pocket costs and reasonable compensation for time spent by the Indemnitee for which he is not otherwise compensated by the Company or any third party, provided that the rate of compensation and estimated time involved is not unreasonable or is approved by the Board of Directors), actually and reasonably incurred by the Indemnitee in connection with either the investigation, defence, counterclaim or appeal of a proceeding or establishing or enforcing a right to indemnification under this Agreement of or by law or otherwise, and amounts paid in settlement by or on behalf of the Indemnitee, and shall include any judgements, fines or penalties actually levied against the Indemnitee except where civil fraud or criminal liability is found and all appeals have been exhausted. However, a presumption of innocence shall be maintained and the indemnity herein shall not be prejudiced, delayed or refused by any allegations of fraud or criminality unless and until an actual finding of the court of last appeal and then, and only then, the Company may refuse any further indemnity and may seek reimbursement for past indemnity.
- (c) **Indemnity** - For the purposes of this Agreement "**Indemnity**" or "**indemnity**" shall have its normal legal and colloquial meaning, and as detailed in this Agreement, and shall also include, at the sole option of the Indemnitee, the obligation of the Company to immediately advance any funds, as payment, retainer, security, or otherwise, required or considered advisable by counsel acting for the Indemnitee for any matter covered by this Agreement or to establish irrevocable and non-returnable security trusts or deposits solely under the control of, and at the discretion of, and for the benefit of the Indemnitee (and any other Agents) and his instructed counsel to secure future, pending, or on-going proceedings and the costs thereof of whatsoever nature including any fines or penalties or other party costs which may be incurred.
- (d) **Proceedings** - For the purposes of this Agreement, "**proceedings**" means any threatened, pending, or completed action, suit or other proceeding, whether civil, criminal, administrative, investigative or any other type whatsoever, and by any plaintiff or plaintiffs, without exclusion of any type or nature, including any action brought by the Company.
- (e) **Subsidiary** - For purposes of this Agreement, "**subsidiary**" means any corporation of which more than 50% of the outstanding voting securities are owned directly or indirectly by the Company, by the Company and one or more other subsidiaries, or by one or more other subsidiaries.

## 2. Agreement to Serve

The Indemnitee agrees to serve and/or continue to serve as an agent of the Company, at its will (or under separate agreement, if such agreement exists), in the capacity the Indemnitee currently serves as an agent of the Company, so long as he is duly appointed or elected and qualified in accordance with the applicable provisions of the bylaws of the Company or any subsidiary of the Company or until such time as he tenders his resignation in writing; provided, however, that nothing contained in



this Agreement is intended to create any right to continued employment of the Indemnitee in any capacity.

3. **Indemnity in Regulatory or Court Proceedings, Third Party Proceedings and Derivative Actions**

The Company warrants it shall fund in advance, or if it shall fail to fund in advance for any reason, indemnify the Indemnitee for and against all Expenses if the Indemnitee is a party to or threatened to be made a party to or otherwise involved in any civil, regulatory or criminal proceeding (including even a proceeding by or in the name of the Company against the Indemnitee) by reason of the fact that the Indemnitee is or was an Agent of the Company, or by reason of any act or inaction by him in any such capacity, against any and all expenses and liabilities of any type whatsoever (including, but not limited to, judgements, fines, penalties or settlements), actually and reasonably incurred by him in connection with the investigation, defence, settlement or appeal of such proceeding. The only exception to this comprehensive and universal coverage shall be where fraud or criminal liability is found by the tribunal or court of last appeal and then, and only then, shall indemnity cease and the Company may seek restitution for past Expenses. In all other cases there shall be indemnity and the Company shall not receive return of Expenses but shall pay the full amount thereof. Under no circumstances, other than such referenced finding of fraud or criminal liability, shall the Company refuse or omit to pay or indemnify Expenses and should it do so then the Parties hereto agree and warrant that such constitutes breach of warranty and bad faith and the Company waives all and every plea or defence to summary judgement and garnishment of accounts and that each Expense shall be a sum due and certain from the day of delivery to the Company or its counsel.

4. **Partial Indemnification**

If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any expenses or liabilities of any type whatsoever (including, but not limited to, judgements, fines or penalties) actually and reasonably incurred by him in the investigation, defence, settlement or appeal of a proceeding but is not entitled, however, to indemnification for the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled. In all circumstances it shall be presumed that the Indemnitee is entitled to full indemnity and the Company shall pay all Expenses unless the Indemnitee agrees otherwise or a court, on motion made and heard, determines that the Indemnitee is entitled only to a partial indemnity.

5. **Indemnification of Expenses of Successful Party**

To the extent that the Indemnitee has not been successful on the merits or otherwise in defence of any proceeding or in defence of any claim, issue or matter therein, including the dismissal of an action, the Company shall fund and indemnify the Indemnitee against all Expenses incurred in connection with the investigation, defence or appeal of such proceeding, including payment of the successful party's costs and judgement, unless such is stated in the final un-appealable judgement to be based upon a finding of fraud or criminal misconduct by the Indemnitee.

6. **Advance of Expenses**

The Company shall advance all expenses incurred by the Indemnitee in connection with the investigation, defence, settlement or appeal of any proceeding to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an agent of the Company. Regardless of whether a trust fund has been established for the Indemnitee pursuant to this Agreement, unless the Indemnitee has agreed that such trust fund may be diminished, the advances to be made hereunder, whether for costs directly or to replenish any trust fund, shall be



paid by the Company to or on behalf of the Indemnitee within ten (10) days following delivery (actual or electronic) of a written request therefor by the Indemnitee, or his counsel (for which counsel's invoice shall be sufficient request), to the Company.

**7. Indemnity Fund**

The Company expressly agrees that proceedings or threatened litigation may jeopardize the ability of the Company to act expeditiously or in good faith, or which may place persons in a capacity to influence the Company to resist good faith compliance herewith, the Company will, within two (2) days of written request, advance up to \$1,000,000 US to a trust fund (the "**Indemnity Fund**") with counsel of the Indemnitee's choice as assurance and security against possible processes or as security for ongoing process. The Company warrants and undertakes that it shall not attack or attach or seek to otherwise impair to diminish such Indemnity Fund and warrants that such trust is established with the Company as settler of the trust and the Indemnitee is for all purposes a trust beneficiary but with sole rights of direction of the same for the purposes hereof, such trust and the assets thereof vest and are established for all purposes in the Indemnitee in the hands of his counsel (as trustee) immediately upon funds being delivered to such counsel and the same is and shall be an irrevocable trust in favour of the Indemnitee for the purposes stated in this Agreement. Regardless of the funding of the Indemnity Fund the Company shall pay all Expenses and the Indemnitee is not required to employ the Indemnity Fund first for Expenses or indemnification (the Indemnity Fund is an assurance of last resort for the Indemnitee for Expenses) but, unless otherwise agreed by the Indemnitee, such fund shall be retained unimpaired as continuing security in the event that the Company fails to provide indemnity at any time or is unable to do so. The Indemnitee may elect to employ such Indemnity Fund to assist any other Agent of the Company, who the Company has failed or unreasonably refused to indemnify (such judgement shall be at the reasonable discretion of the Indemnitee unless the Company shall show just and reasonable cause why such other Agent has no right in law to indemnify and, if required by the Indemnitee, has shown such to the satisfaction of a court) similarly situated to the Indemnitee. At any time that the Indemnitee employs any part of the Indemnity Fund the Company shall replenish the Indemnity Fund immediately at the requirement of the Indemnitee.

**8. Notice and Other Indemnification Procedures**

- (a) Promptly after receipt by the Indemnitee of notice of the commencement of or the threat of commencement of any proceeding, the Indemnitee shall, if the Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company of the commencement or threat of commencement thereof unless the Company already knows or constructively knows of the existence of such.
- (b) Any indemnification requested by the Indemnitee shall be complied with by the Company not later than ten (10) days after receipt of written request of the Indemnitee or his counsel. Indemnification shall not be refused and the Company shall thereafter immediately pay the request for indemnity (so long as the same is supported by copies of legal and other expense documentation or by written request of counsel for advances), unless final judgement (including any appeals) has been rendered against the Indemnitee and the Indemnitee has been found at fault for fraud or criminal misconduct, but that in the event that the Indemnitee has only been found partially at fault for such conducts, the Indemnitee shall be paid for the aggregate of Expenses not already paid by the Company in proportion to that part in which the Indemnitee has been found not at fault.
- (c) The Indemnitee shall have the right, at any time that the Company has not done so, to seek approval of the appropriate court to validate or ratify the indemnity herein. The Company



warrants that it shall make such application to the appropriate court immediately upon request of the Indemnitee and shall vigorously seek the approval of the court or, if the application is being made by the Indemnitee (which shall be an indemnified cost hereunder) the Company shall vigorously support such application. The Indemnitee shall have the right to select the counsel the Company employs to make the application and may require that the Company change counsel to another of the Indemnitee's choosing should the Indemnitee not have confidence in the competence or intentions or vigour of the counsel. The Company warrants and agrees that it shall not refuse to seek court approval or shall not oppose the application of the Indemnitee in any manner whatsoever, except only in the event of a final judgement (including appeals) having been rendered finding the Indemnitee to have been at fault in such manner that the Indemnitee is not entitled to indemnity (i.e. - for fraud or criminal misconduct). The Company agrees and undertakes that should it oppose or refuse to seek court approval or to fulfil any obligation for indemnity that then it shall be subject to sanction, costs, and all direct and indirect damages occasioned by a knowledgeable trustee which has knowingly violated a trust and such violation shall be deemed in bad faith and malicious unless clear evidence of reasonable mistake in fact or law shall be shown and the onus thereof shall be the Company's. Moreover, it shall not be sufficient for such purpose that the Company shall rely upon legal opinion unless such legal opinion shall be patently reasonable and it must be clear that such counsel has been given all pertinent fact and the same has arrived at his conclusion in a reasonably unbiased fashion and not employing sharp practice, a probable intent to arrive at such conclusion under instruction to find a contrary position, and not in contemplation of litigation and such counsel shall release such contrary opinion to the Indemnitee (and the Company hereby gives its permission) and the counsel's statement shall advise that he will support and justify such opinion under oath and in proceedings of which he may be made a party.

- (d) In the event that the Company shall refuse, omit, or otherwise, passively or actively, resist indemnifying the Indemnitee, then the Indemnitee may immediately seek an order requiring indemnity by the Company and the Indemnitee shall be indemnified for all costs associated therewith. In the event that such is required, the Company shall no longer thereafter have the right, and it forfeits the same as liquidated damages, to seek recovery of any Expense amounts paid to or for the Indemnitee, regardless of whether final judgements are thereafter rendered against the Indemnitee in such manner that indemnity would not otherwise have been available.
- (e) In the event that the Company, in the opinion of the Indemnitee or its counsel, shall not be, or appear not to be, adequately or vigorously performing its obligations of this Agreement then the Indemnitee may, at his own sole discretion and with notice to the Company, immediately take over all matters to be performed by the Company, perform the same in the name of the Company, dismiss any Company counsel conducting any matter hereunder, the Company shall absolutely resile and withdraw to the extent required by the Indemnitee, and the Indemnitee shall be indemnified for all such matters and shall receive reasonable compensation for his time and costs.

9. **Assumption of Defence**

The Indemnitee shall have the prior right to engage separate counsel of his choosing (and the Company may select its own counsel) and to conduct any proceeding, in his sole and absolute discretion; provided, however, that in the absence of such election the Company, if appropriate and permitted by the Indemnitee, shall be entitled to assume the defence of a proceeding, with counsel reasonably acceptable to the Indemnitee, upon the delivery to the Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by the Indemnitee and



the retention of such counsel by the Company, the Company will also be liable to indemnify under this Agreement for any fees of other counsel subsequently appointed by the Indemnitee, if the Indemnitee shall subsequently reasonably conclude that there is or may be a conflict of interest between the Company and the Indemnitee or a lack of enthusiasm by the Company or its counsel in the conduct of any defence and, pursuant to section 8(e) above, the Indemnity may take conduct of the process entirely.

10. **Insurance**

The Company warrants that, if possible, it shall acquire directors' and officers' liability insurance ("**D&O Insurance**") and the Indemnitee shall be named as an insured by virtue of his service as an Agent of the Company. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to indemnify the Indemnitee for expenses, judgements, fines or penalties which have been paid directly to or for the Indemnitee by D&O Insurance. If the Company has D&O Insurance in effect at the time the Company receives from the Indemnitee any notice of the commencement of a proceeding, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policy. In the event that the D & O Insurance insurers shall not indemnify promptly or if they shall deny coverage then the Company shall directly indemnify the Indemnitee pursuant to this Agreement and the Company shall claim restitution from the D&O Insurance, for which the Indemnitee shall execute all such necessary documents as shall permit the Company to acquire the same.

11. **Exceptions**

The Company may pursue refund of Expenses indemnified pursuant to the terms of this Agreement:

- (a) **Certain Matters.** On account of any proceeding with respect to:
- (i) final unappealed judgement or other final adjudication that conduct was in violation of criminal law, but only to the extent of such prohibition;
  - (ii) final unappealed judgement rendered against the Indemnitee for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company in violation of the criminal sanctions provisions of criminal or securities law, or
  - (iii) final unappealed judgement or other final adjudication that the Indemnitee's conduct was fraudulent.

For purposes of the foregoing provisions, a final judgement or other adjudication may be reached in either the underlying proceedings or action in connection with which indemnification is sought, or a separate proceeding or action to establish rights and liabilities under this Agreement; or

- (b) **Claims Initiated by Indemnitee.** The Company shall not indemnify or advance Expenses to the Indemnitee with respect to proceedings or claims initiated or brought voluntarily by the Indemnitee, and not by way of defence, except with respect to proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law. Indemnification or advancement of Expenses may be provided by the Company in

specific cases if the Board of Directors finds it to be appropriate. However, where counsel advises that it is in the best interest of the Indemnitee or of the case or to ameliorate the effect of any process that an action be initiated (e.g. - pre-emptive claims or motions, counterclaims, third party claims) for or by the Indemnitee then the Company shall indemnify the same; or

- (c) **Unauthorized Settlements.** To indemnify the Indemnitee under this Agreement for any amounts paid in settlement of a proceeding effected without the Indemnitee's or Company's written consent, except where the Company has refused or omitted to reply or participate reasonably, or where the Company unreasonably withholds consent, then so as to facilitate settlement the Indemnitee may act without Company permission (the Indemnitee's counsel's judgement on reasonableness shall be deemed *prima facie* correct for such determination). The Company shall not settle any proceeding without the Indemnitee's written consent. Neither the Company nor the Indemnitee will unreasonably withhold consent to any proposed settlement but that the Indemnitee is not required to consent to any regulatory or criminal penalty or fine regardless of the view of the Company or its counsel.

**12. Non-exclusivity**

The provisions for indemnification and advancement or security of expenses and costs set forth in this Agreement shall not be deemed exclusive of any other rights which the Indemnitee may have under any provision of law, the Company's Memorandum or Articles of Incorporation or bylaws, in court in which a proceeding is brought, by the vote of the Company's shareholders or disinterested directors, other agreements or otherwise, both as to action in his official capacity and to action in another capacity while occupying his position as an Agent of the Company. This Agreement is in addition to and not in substitution for or derogation of any other right and indemnity which the Indemnitee may have under the articles or bylaws of the Company or under any other individual or group benefit or under any D&O Insurance or under law. In the event of conflict with any other provision or benefit, that provision or benefit which provides the greatest liberality and surety of indemnity for the Indemnitee shall govern.

**13. Subrogation**

In the event of judgement or payment for the benefit of the Indemnity as to costs under any process indemnified by this Agreement, the Company shall be subrogated to the extent of such payment in all of the rights of recovery of the Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

**14. Interpretation of Agreement and Company Default**

- (a) It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to the Indemnitee to the fullest extent now or hereafter permitted by law and as contemplated by this Agreement and it is agreed that in the event of any uncertainty or dispute or vagueness of this Agreement or the law that such shall be determined in the manner which most benefits the Indemnitee and which most vigorously secures the intent hereof (which is the fullest possible indemnity and protection of the Indemnitee).
- (b) The parties hereto agree, and the Company acknowledges, that any material default or repeated default of this Agreement by the Company constitutes bad faith and breach of



warranty of performance and would be extremely damaging to the Indemnitee and can lead to loss of reputation, loss of social position, unfair regulatory sanctions, and other consequences, in addition to money, if the Indemnitee is deprived of his ability to defend and prosecute a proceeding. Accordingly, the Company attorns to and will not oppose any act, whether by injunction or otherwise, of the Indemnitee to prevent or terminate such unresponsive or bad faith acts and to provide for all such security or sureties the Indemnitee considers advisable to require compliance with this Agreement. The Company warrants to perform this Agreement with full support for the Indemnitee and with full vigour and to make all proceedings of officers and directors and legal advice (whether or not the Indemnitee is an Agent at such time) available to the Indemnitee in the event of contrary conduct or default and the Company agrees that any act by an officer or director to cause unresponsive act by the Company shall be *prima facie* considered bad faith and malicious on the part of such officer and director and the Company and any action by the Indemnitee in respect to such shall be an indemnified proceeding under this Agreement.

**15. Severability**

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

- (a) the validity, legality and enforceability of the remaining provisions of the Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves, invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and
- (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provisions held to be invalid, illegal, or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

**16. Modification and Waiver**

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

**17. Successors and Assigns**

The terms of this Agreement shall bind and shall enure to the benefit of the successors and assigns of the parties hereto. The Company may not assign any part hereof without the express permission of the Indemnitee in writing.

**18. Notice**

All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given:

- (a) if delivered by hand to the party addressee or by electronic facilities with confirmation evidence of reception; or

- (b) if mailed by certified or registered mail with postage prepaid, on the third business day after the mailing date.

Addresses for notice to either party are as shown on the signature page of this Agreement, or as subsequently modified by written notice, from time to time.

**19. Term**

This Agreement shall continue in full force and effect for the period of time which is the longer of six (6) years following cessation by the Indemnitee of any capacity with the Company (whether as director, officer, employee, or otherwise) or the term under the statute of limitations which may be applicable to the Company and the Indemnitee, from time to time, for any acts, conducts, or omissions of the Indemnitee or the Company. The Indemnitee's rights hereunder shall continue after the Indemnitee has ceased acting as an Agent of the Company for all matters arising during his service and shall enure to the benefit of the heirs, executors and administrators of the Indemnitee. The Indemnitee agrees to dissolve any Indemnity Fund and settle the net assets thereof on the Company at such time as statutory limitations have expired for any actions but in any event not less than the later of six (6) years following termination of the Indemnitee acting as an Agent for the Company or two years after the completion of the last proceeding, or threat of a proceeding, against the Indemnitee.

**20. Governing Law**

The situs of this Agreement is British Columbia and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws prevailing in British Columbia.

This Agreement shall be exclusively litigated in British Columbia unless the Parties voluntarily consent otherwise in writing.

**IN WITNESS WHEREOF** the Parties hereto have hereunto set their respective hands and seals in the presence of their duly authorized signatories effective as at the date first above written.

**TRENCHANT CAPITAL CORP.**

Per: "Darren Devine"  
Authorized Signatory

"Eric Boehnke"  
**BIG SKY MANAGEMENT LTD.**  
Per: Eric Boehnke, President

## MANAGEMENT AGREEMENT

**THIS AGREEMENT** is made and dated for reference as of the 1<sup>st</sup> day of September, 2020 (the “**Effective Date**”)

BETWEEN:

**TRENCHANT CAPITAL CORP.**, a British Columbia corporation having an address at  
1790, 1066 West Hastings Street, Vancouver, BC, V6E 3X1

(the “**Company**”)

OF THE FIRST PART

AND:

60 Waverley Road, Toronto, ON, M4L 3T1

\_\_\_\_\_, a \_\_\_\_\_

having an address at:

Tom English

\_\_\_\_\_

(“**Consultant**”)

OF THE SECOND PART

(the Company and Consultant being hereinafter singularly also referred to as a “**Party**” and collectively referred to as the “**Parties**” as the context so requires)

### WHEREAS:

- A. The Company is in the business of making investments in businesses or assets and is listed as an Investment Issuer on the Canadian Securities Exchange;
- B. Consultant has directly contributed his, her or its time and effort to the Company, and its subsidiaries and affiliates, as adviser, without contract;
- C. The Company believes that Consultant is a key person for its development, wants to ensure his long-term commitment to the Company, wishes to recognize his critical contributions to the Company’s development to date and accordingly wishes to retain Consultant as a member of the Board of Directors and advisor to the Company;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual covenants and provisos herein contained, including the Services provided to the Company and the corresponding obligation of the Company for the payment of the Base Fee to the Consultant since September 1, 2020, **THE PARTIES HERETO AGREE AS FOLLOWS:**



## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following words and phrases shall have the following meanings:

- (a) **"Agreement"** means this Agreement as from time to time supplemented or amended;
- (b) **"Base Fee"** means that compensation set forth in section 4.1 below;
- (c) **"Board of Directors"** or **"Board"** means the Board of Directors of the Company, or any successors to the Company, as duly constituted from time to time;
- (d) **"Effective Date"** has the meaning ascribed to it at the beginning of the first page hereto;
- (e) **"Indemnified Party"** has the meaning ascribed to it in section 7.1 herein below;
- (f) **"Non-Renewal Notice"** has the meaning ascribed to it in section 3.2 herein below;
- (g) **"Term"** has the meaning ascribed to it in section 3.1 herein below; and
- (h) **"Termination Fee"** has the meaning ascribed to it in section 3.4 below.

### 1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, section or other subdivision of this Agreement;
- (b) the headings are for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope or extent of this or any provision of this Agreement;
- (c) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity; and
- (d) words in the singular include the plural and words in the masculine gender include the feminine and neuter genders, and *vice versa*.

## ARTICLE 2 SERVICES AND DUTIES OF NAME

### 2.1 General Services

During the Term (as hereinafter defined) of this Agreement Consultant (through its principal) will provide the Company, and its subsidiaries and affiliates, as needed on a part-time basis with such general corporate, administrative, technical and management services as is considered necessary or advisable for the Company to achieve the goals and needs of the Company as determined by the

policies, directions, and proceedings of management and the Board of Directors and as is considered within the normal duties of an adviser (collectively, the “**Services**”) or in such other capacity as the Company may reasonably assign within the abilities and capacities of Consultant.

## 2.2 Company Support

The Company shall reasonably make available all such resources as shall be required for Consultant to perform the Services and otherwise to fulfill the requirements of this Agreement. The Company covenants it shall provide Consultant with all such reasonable resources, financial and otherwise, as Consultant shall require to fulfill its reasonable goals as determined by the Board and this Agreement.

## ARTICLE 3 TERM, RENEWAL AND TERMINATION

### 3.1 Term

The Term of this Agreement (the “**Term**”) is for a period of approximately three (3) years commencing on September 1, 2020 and terminating August 31, 2023.

### 3.2 Renewal

This Agreement shall renew automatically for subsequent one (1) year periods if not specifically terminated in accordance with the following provisions. Renewal shall be on the same terms and conditions contained herein, unless modified and agreed to in writing by the Parties, and this Agreement shall remain in full force and effect (with any collateral written amendments) without the necessity to execute a new document. A Party hereto determining not to renew agrees to notify the other Parties hereto in writing at least one hundred and eighty (180) calendar days prior to the end of the Term of its intent not to renew this Agreement (the “**Non-Renewal Notice**”) and such non-renewal shall be subject to the Termination Fee provisions of section 3.4.

### 3.3 Termination

Notwithstanding any other provision of this Agreement, this Agreement may be terminated by a Party upon written notice if:

- (a) the other Party fails to cure a material breach of any provision of this Agreement within thirty (30) calendar days from its receipt of written notice from said Party (unless such breach cannot be reasonably cured within said thirty (30) calendar days and the other Party is actively pursuing curing of said breach); or
- (b) the other Party commits fraud or serious neglect or misconduct or illegal act and is convicted in a court of law in the discharge of its respective duties hereunder or under the law; or
- (c) the other Party becomes adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, and where any such petition is not dismissed.

### 3.4 Termination Fee

- (a) Upon this Agreement being terminated prior to the end of the Term (for any cause other than as set forth in Section 3.3 of this Agreement), Consultant shall receive a termination fee (the “**Termination Fee**”) equal to the sum of:



- (i) at Consultant's election, buy-out of any outstanding stock options (both vested and unvested portions as if all are vested) for a price equal to the fair market value of the Company's shares, determined for the thirty (30) days preceding termination and as determined in accordance with accounting principles, multiplied by the number of shares under option and less the exercise price thereof or, at the optionee's election and subject to any required regulatory approval, extension of the option, and full vesting of the same, for a period of one (1) year after termination or, at the optionee's election, the immediate vesting and exercise of all granted options and the immediate right to employ 'net exercise' (non-cash exercise) privileges; plus
- (ii) the greater of:
  - (A) the aggregate remaining Base Fee for the unexpired remainder of the Term;  
or
  - (B) 1 x annual Base Fee (Base Fee multiplied by twelve);

But that such aggregate sum of this section 3.4(a)(ii) (therefore not including section 3.4(a)(i) amounts) shall not exceed the Base Fee multiplied by 36 (this section 3.4(a)(ii) is called the "**Non-Option Termination Fee**" as a sub-component of the Termination Fee).

- (b) At the Company's election (such election to be made within fifteen (15) days of the effective date of termination, as defined hereafter) the Non-Option Termination Fee may be paid in twelve (12) equal monthly installments commencing with the first payment fifteen (15) days after the effective date of termination (being the earlier of the expiry of Agreement after a Non-Renewal Notice or otherwise the date of notice (or constructive notice) of termination or the expiration of notice of default of section 3.3 above). In the event of failure to elect or any dispute as to quantum of the Termination Fee (any claimed set-off or counterclaim shall not be deducted from the Termination Fee but shall only be recovered after any judgment), payment thereof shall not be delayed or deferred but shall be made in full immediately at an amount established by Consultant's selected accountant (if Consultant fails to appoint an accountant within ten (10) days of Company demand, then the quantum shall be established by an accountant selected by the Company). The amount of such Termination Fee as determined by the accountant shall be irrevocably deemed an amount due and certain and immediately exigible and payable and the Company waives all defenses to immediate payment of the same and any counterclaims or deductions or set-offs or other allegations of any nature shall not affect the immediate collectability of the total Termination Fee. If the Company fails to pay or disputes the quantum of the Termination Fee as determined by the accountant then Consultant may acquire summary judgment for the same to which the Company concurs and attorns. Any claims by the Company against Consultant shall not interrupt payment of the Termination Fee and any Company claims shall be paid by Consultant only when and in accordance with judgment if a court should find against Consultant.

### 3.5 Transfer of Agreement

In the event that the Company or its business is sold or otherwise transfers to another corporation then, unless Consultant shall elect to treat such as a wrongful termination (he/it shall not so treat it if the transfer is approved by the majority of stockholders), this Agreement shall be assigned automatically to the successor corporation.

**ARTICLE 4**  
**COMPENSATION OF NAME**

**4.1 Base Fee**

- (a) For all services rendered by Consultant under this Agreement, the Company shall pay Consultant, or his/her designated management or professional corporation, a fee (the “**Fee**”, also “**Base Fee**”) of fifteen thousand (\$15,000) dollars Canadian per month, exclusive of GST. In addition to the Fee, the Company may, in its absolute discretion consider paying bonuses or other compensation at intervals through the Term. In order to assist the Company during its present transition period and low capital, Consultant agrees to accrue the Base Fee until the earlier of the raising of an aggregate of not less than one million dollars Canadian (through investments, dividends or returns of capital derived from its business as an Investment Issuer) or December 31, 2021.

**4.2 Incentive Fee**

In addition to the Fee, Consultant shall also receive an incentive fee (the “**Incentive Fee**”) which shall be no less than that established by the Board for other comparable management. The Incentive Fee shall be based on the following examples, but not limited to, (a) working capital raised, (b) sourcing and financing of investments, (c) divestiture of investments; (d) share price appreciation and other Company milestones.

**4.3 Discretionary Bonus**

The Fee and Incentive Fee shall not exclude the granting of discretionary bonuses to Consultant by the Company from time-to-time.

**4.4 Reimbursement of Expenses**

Consultant shall be reimbursed for his/her expenses incurred in relation to the completion of the Services. In the event Consultant incurs costs for Company activities, then he/she shall be reimbursed within fifteen (15) days of submission of invoice and support therefore.

**4.5 Benefits**

**Consultant will not be entitled to participate in any benefit plans of the Company and the Consultant will be responsible for his own medical and health insurance, life insurance and disability insurance costs and will not be entitled to any paid vacation.**

**4.6 Relationship**

**The Company and Consultant each acknowledge and agree that the only relationship of Consultant to the Company created by this Agreement will for all purposes be that of an independent contractor. Nothing in this Agreement or otherwise creates an employment or other relationship between the Company and Consultant or any person performing services for Consultant.**

Consultant shall generally control the method and manner of performing the Services, and shall be entitled to perform the Services at such locations and at such times as Consultant sees fit, subject to the terms of this Agreement and the Company’s requirements.



Consultant will be responsible for remitting any applicable GST, or any other taxes that may be payable in relation to the performance of the Services.

Consultant will fully indemnify and hold harmless the Company from and against all assessments, claims, liabilities, costs, expenses and damages that the Company may suffer or incur with respect to any such taxes or benefits. For greater clarity, Consultant is solely responsible for the deduction and remissions of income tax, pension and employment insurance in respect of any employees retained Consultant to perform the services under this Agreement. Furthermore, if these amounts are not remitted, Consultant will, in addition to any other provision under this Agreement, indemnify and hold harmless the Company, its subsidiaries, affiliates and their respective directors and officers from and against any claim for taxes, penalties and for withholding of funds by the applicable tax, worker's compensation, employment standards and insurance agencies or any other government agency with respect to any amount found to be payable by the Company to such agency or commission in respect of the Consultant provision of services under this Agreement, including any legal fees incurred by the Company in defending such claims.

## ARTICLE 5 ADDITIONAL OBLIGATIONS OF NAME

### 5.1 Confidentiality and Restrictions

In accepting this Agreement Consultant is accepting the duty to protect and preserve the Company's and its Parent's affairs, assets and business as follows (to which a liberal interpretation shall be afforded and which shall include the affairs, assets and business of Company affiliates, parents or subsidiaries):

- (a) Confidentiality and Competition. To protect the Company:
  - (i) Consultant will not, except as authorized or required by his/her duties hereunder, reveal or divulge to any person or companies any Confidential Information (as defined below) concerning the Company or its business, or of any of its subsidiaries or affiliates or parent companies, which may come to Consultant's knowledge during the Term of this Agreement, and Consultant will keep in complete secrecy all Confidential Information entrusted to him/her and will not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Company's business. Consultant warrants he/she will employ best practice to safe-guard information and to maintain confidentiality of Confidential Information. This restriction will continue to apply after the termination of this Agreement without limit in point of time but will cease to apply to information or knowledge (which is not protected by patent, copyright, trade-mark or other protection) which may come into the public domain through no act or fault of his/hers.
  - (ii) In this Agreement "**Confidential Information**" shall mean all Company (and affiliates, parents or subsidiaries) information which any of them considers confidential, proprietary, or useful in its business and includes, without restriction and whether marked confidential or not, all information such as know-how, reports, research, engineering, rights and interests, opportunities, designs, drawings, plans, specifications, models, quality controls, trade secrets, software, feedstock, additives, processes, equipment, electronic controllers, patents, devices, methods relevant to

the Company's business, organizational charts, business plans, policies, corporate structure, financial information and resources, transactions, contracts and Company customers, contractors and suppliers such as their names, requirements and necessities and Company investors, bankers or other finance sources, and any collateral information which may be in the nature of a latent interest or expectation or corporate opportunity such as inventions, discoveries or improvements conceived, developed or made by the Company or Officers, in whole or in part, or other persons associated with them and all and every other information which would reasonably be considered confidential in the industry or by employment of reasonable judgment and the burden shall be on Consultant to show that information alleged to be confidential is not.

- (b) Breach of Confidentiality: Consultant acknowledges that the Confidential Information is crucial to the business of the Company (affiliates, parents or subsidiaries) and that in the event of unauthorized disclosure or use of the Confidential Information, which he/she acknowledges would be an act of bad faith as well as a breach of undertaking, the damage to the Company will be irreparable and will not be adequately compensated by monetary award. Accordingly, Consultant agrees that in the event of any such breach, the Company shall be entitled as a matter of right, without notice and prior to service of an originating action in the jurisdiction selected by the Company and on an *ex parte* basis, to apply to Court for relief by way of restraining order, injunction, decree or otherwise as may be appropriate to ensure compliance with the provisions hereof.

## 5.2 Respectful Conduct

- (a) Consultant shall refrain from effecting negative acts or commentary in respect to the Company or persons associated with it (except as may be in fulfillment of lawful obligations or to validly caution the Company about persons who may injure the Company) both during this Agreement or thereafter including refraining from such acts as spreading false or malicious rumours, comment, or innuendo, initiating communications which bring the reputation of the Company into disfavour or under suspicion, or otherwise effecting negative acts or campaigns towards the Company. All communications with or about the Company or its associated persons shall be balanced, truthful and made for honourable purposes and not to sow discord or other results negative to the Company or its associated persons.
- (b) The Company shall treat Consultant with respect and reasonableness and shall not treat him/her to harassing conduct, unreasonable demands on time, shall respect family commitments and generally shall treat him/her with the deference reasonably accorded a favoured service provider.

## 5.3 Compliance with Applicable Laws

Consultant will comply with all laws, whether federal, provincial or state, applicable to Consultant's provision of the Services hereunder and, in addition, hereby represents and warrants that any information which Consultant may provide to any person or company hereunder will be accurate and complete in all material respects and not misleading, and will not omit to state any fact or information which would be material to such person or company.

## 5.4 Reporting

So often as may be required by the Board of Directors, Consultant will provide to the Board of Directors of the Company such information concerning the results of Consultant's Services and



activities hereunder as the Board of Directors of the Company may reasonably require. Consultant will present its reports in written form or on an oral basis to the board, as they may request and at the reasonable times they request.

## 5.5 Non-Competition

During this Agreement and for a period of three (3) years following termination Consultant shall not enter into any activity which would cause restriction or competition to the business of the Company and, without restricting the generality, shall not enter into the service of any competitor, shall not accept any position or effect any investment with a party which competes with the Company or which intends to compete with the Company, nor take any steps which would negatively affect the Company including such acts as inducing officers, employees, shareholders, financiers, bankers, brokers, suppliers, customers, members or other persons associated with the Company (affiliates, parents or subsidiaries) to leave.

## ARTICLE 6 INDEMNIFICATION AND LEGAL PROCEEDINGS

### 6.1 Indemnification

- (a) The Company shall effect reasonable best efforts to maintain appropriate liability insurance for its officers, directors, personnel and consultants to which Consultant shall be made party.
- (b) The Company shall make Consultant a party to all liability insurance policies, to the fullest extent permitted by such policies, which may be acquired for the benefit of all or any of the Company's board or management. Consultant (the "**Indemnified Party**") shall be indemnified and funded on a current basis for all losses, damages, legal expenses, and any other expenses or costs of any nature which may be occasioned by their service with the Company. *Inter alia*, this indemnity shall apply to all manner of actions, proceedings, or prosecutions, whether civil, regulatory, or criminal, to which the Indemnified Party may be subject, due in whole or in part to the Services provided herein or by virtue of any office held. This indemnity shall apply both during and after its Term for all matters arising during the Term, and any extension, until any limitation period has expired in respect to any action which might be contemplated. The Company shall not refuse coverage for any purpose or reason and a strict presumption of innocence shall be applied and the Company may only seek refund of any coverage in the case of finding of fraud or criminal culpability, after exhaustion of all appeals. The Company shall not be entitled to be reimbursed any costs or expenses in the event settlement or of any finding of civil fault or liability except where fraud has been found and all appeals exhausted. The Company shall diligently seek and support any court approvals for the within indemnity as the Indemnified Party may require. The Company shall pay all such retainers and Trust requirements as counsel for the Indemnified Party may require and shall pay all accounts of counsel as they come due and such accounts shall be rendered in the name of the Company and, further, should the Company fail to pay any reasonable account, it shall attorn to all such actions, summary judgments, and garnishing orders as such counsel may consider fit to enforce and receive payment of its account. On request of the Indemnified Party the Company shall immediately activate, establish and fund, as a fund alienated from the title of the Company and into trust for the Indemnified Party, an Indemnity Agreement of the form attached hereto as Schedule A, with amendments as suggested by the Indemnified Party's counsel, and the fund therein established shall be no less than \$500,000 and up to \$1,000,000(US) if so required by the

Indemnified Party. The Company shall not seek to settle or compromise any action without the approval of the Indemnified Party. The Company warrants it shall employ due diligence and good faith and seek the best interests of the Indemnified Party as defendants in any action or prosecution. The Indemnified Party shall permit the Company to consult with their counsel and to be informed of any matters thereof, subject only to any requirements for legal privilege purposes.

**6.2 Claim of Indemnification**

The Parties hereto agree to waive any right they might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming this indemnity.

**6.3 Notice of Claim**

In case any action is brought against an Indemnified Party in respect of which indemnity may be sought, the Indemnified Party will give the Company prompt written notice of any such action of which the Indemnified Party has knowledge. Failure by the Indemnified Party to so notify shall not relieve the Company of its obligation of indemnification hereunder unless (and only to the extent that) such failure results in a forfeiture of substantive rights or defenses.

**ARTICLE 7  
FORCE MAJEURE**

**7.1 Events**

If either Party hereto is at any time either during this Agreement or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of strikes, walk-outs, labour shortages, power shortages, fires, wars, acts of God, earthquakes, storms, floods, explosions, accidents, protests or demonstrations by environmental lobbyists or native rights groups, delays in transportation, breakdown of machinery, inability to obtain necessary materials in the open market, unavailability of equipment, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of that Party, then the time limited for the performance by that Party of its respective obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay.

**7.2 Notice**

A Party shall within seven (7) calendar days give notice to the other Party of each event of *force majeure* under section 7.1 hereinabove, and upon cessation of such event shall furnish the other Party with notice of that event together with particulars of the number of days by which the obligations of that Party hereunder have been extended by virtue of such event of *force majeure* and all preceding events of *force majeure*.

**ARTICLE 8  
NOTICE**

**8.1 Notice**

Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be sent by prepaid registered mail to the Party, or delivered to such Party, at the address for such Party specified on the front page of this Agreement. The date

of receipt of such notice, demand or other communication shall be the date of delivery thereof if delivered, or, if given by registered mail as aforesaid, shall be deemed conclusively to be the third day after the same shall have been so mailed, except in the case of interruption of postal services for any reason whatsoever, in which case the date of receipt shall be the date on which the notice, demand or other communication is actually received by the addressee.

## **8.2 Change of Address**

Either Party may at any time and from time to time notify the other Party in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

## **ARTICLE 9 GENERAL PROVISIONS**

### **9.1 Entire Agreement**

This Agreement constitutes the entire agreement to date between the Parties hereto and supersedes every previous agreement, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise; between the Parties with respect to the subject matter of this Agreement.

### **9.2 No Assignment**

This Agreement may not be assigned by either Party except with the prior written consent of the other Party.

### **9.3 Warranty of Good Faith and Reasonable Conduct**

The Parties hereto warrant each to the other to conduct their duties and obligations hereof in good faith and with due diligence and to employ all reasonable endeavours to fully comply with and conduct the terms and conditions of this Agreement. The Company warrants that the parent of the Company will guarantee the obligations of the Company and that where any benefits are properly to be accounted by the parent that the Company shall cause such parent to provide such benefit.

### **9.4 Further Assurances**

The Parties will from time to time after the execution of this Agreement make, do, execute or cause or permit to be made, done or executed, all such further and other acts, deeds, things, devices and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

### **9.5 Applicable Law**

The situs of this Agreement is British Columbia and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws prevailing in British Columbia. This Agreement shall be exclusively litigated in British Columbia unless the Parties voluntarily consent otherwise in writing.

### **9.6 Severability and Construction**

Each Article, section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable, and if, for any reason, any portion of this Agreement is determined

to be invalid, contrary to or in conflict with any applicable present or future law, rule or regulation in a final un-appealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which any Party hereto is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible (all of which shall remain binding on the Parties and continue to be given full force and effect as of the date upon which the ruling becomes final).

**9.7 Consents and Waivers**

No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance by such other of its obligations hereunder shall:

- (a) be valid unless it is in writing and stated to be a consent or waiver pursuant to this section;
- (b) be relied upon as a consent to or waiver of any other breach or default of the same or any other obligation or constitute a general waiver under this Agreement; or
- (c) eliminate or modify the need for a specific consent or waiver pursuant to this section in any other or subsequent instance.

**IN WITNESS WHEREOF** the Parties hereto have hereunto set their respective hands and seals in the presence of their duly authorized signatories effective as at the date first above written.

**TRENCHANT CAPITAL CORP.**

Per: "Eric Boehnke"  
Authorized Signatory

SIGNED, SEALED and DELIVERED by THOMAS )  
 ENGLISH in the presence of: )  
 )  
"Darren Devine" )  
 Signature )  
 \_\_\_\_\_ )  
 Print Name )  
 \_\_\_\_\_ )  
 Address )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 Occupation )

"Thomas English"  
**THOMAS ENGLISH**



**SCHEDULE A**  
**INDEMNITY AGREEMENT**

THIS INDEMNITY AGREEMENT, dated as of September 1, 2020, is made

BY AND BETWEEN:

**TRENCHANT CAPITAL CORP.**  
(the "Company")

AND:

Tom English

\_\_\_\_\_  
("Indemnitee")

**RECITALS:**

- A. The Company recognises that competent and experienced persons are increasingly reluctant to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance or indemnification, or both, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such persons;
- B. The statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous, or conflicting, and therefore fail to provide such directors or officers with adequate, reliable knowledge of legal risks to which they are exposed or information regarding the proper course of action to take;
- C. The Company and Indemnitee recognise that plaintiffs often seek damages in such large amounts and the costs of litigation may be so enormous (whether or not the case is meritorious), that the defence and/or settlement of such litigation is often beyond the personal resources of individuals;
- D. The Company believes that it is unfair for its directors and officers to assume the risk of huge costs and judgements and other expenses which may occur in cases where the director acted in good faith or merely made errors of judgement less than fraud;
- E. The Board of Directors has determined that contractual indemnification as set forth herein is not only reasonable and prudent, but necessary to promote the best interests of the Company and its shareholders in order to attract and maintain management;

**AGREEMENT:**

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

**1. Definitions**

- (a) **Agent or Indemnitee** - For purposes of this Agreement, "agent" or "indemnitee" or "Indemnitee" of the Company means any person who:

- (i) is or was a director, officer, employee or other agent of the Company or a subsidiary of the Company;
  - (ii) is or was serving at the request of, for the convenience of, or to represent the interest of the Company or a subsidiary of the Company as a director, officer, employee, consultant or agent;
- (b) **Expenses** - For purposes of this Agreement, "**expenses**" includes all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements, other out-of-pocket costs and reasonable compensation for time spent by the Indemnitee for which he is not otherwise compensated by the Company or any third party, provided that the rate of compensation and estimated time involved is not unreasonable or is approved by the Board of Directors), actually and reasonably incurred by the Indemnitee in connection with either the investigation, defence, counterclaim or appeal of a proceeding or establishing or enforcing a right to indemnification under this Agreement of or by law or otherwise, and amounts paid in settlement by or on behalf of the Indemnitee, and shall include any judgements, fines or penalties actually levied against the Indemnitee except where civil fraud or criminal liability is found and all appeals have been exhausted. However, a presumption of innocence shall be maintained and the indemnity herein shall not be prejudiced, delayed or refused by any allegations of fraud or criminality unless and until an actual finding of the court of last appeal and then, and only then, the Company may refuse any further indemnity and may seek reimbursement for past indemnity.
- (c) **Indemnity** - For the purposes of this Agreement "**Indemnity**" or "**indemnity**" shall have its normal legal and colloquial meaning, and as detailed in this Agreement, and shall also include, at the sole option of the Indemnitee, the obligation of the Company to immediately advance any funds, as payment, retainer, security, or otherwise, required or considered advisable by counsel acting for the Indemnitee for any matter covered by this Agreement or to establish irrevocable and non-returnable security trusts or deposits solely under the control of, and at the discretion of, and for the benefit of the Indemnitee (and any other Agents) and his instructed counsel to secure future, pending, or on-going proceedings and the costs thereof of whatsoever nature including any fines or penalties or other party costs which may be incurred.
- (d) **Proceedings** - For the purposes of this Agreement, "**proceedings**" means any threatened, pending, or completed action, suit or other proceeding, whether civil, criminal, administrative, investigative or any other type whatsoever, and by any plaintiff or plaintiffs, without exclusion of any type or nature, including any action brought by the Company.
- (e) **Subsidiary** - For purposes of this Agreement, "**subsidiary**" means any corporation of which more than 50% of the outstanding voting securities are owned directly or indirectly by the Company, by the Company and one or more other subsidiaries, or by one or more other subsidiaries.

## 2. Agreement to Serve

The Indemnitee agrees to serve and/or continue to serve as an agent of the Company, at its will (or under separate agreement, if such agreement exists), in the capacity the Indemnitee currently serves as an agent of the Company, so long as he is duly appointed or elected and qualified in accordance with the applicable provisions of the bylaws of the Company or any subsidiary of the Company or until such time as he tenders his resignation in writing; provided, however, that nothing contained in



this Agreement is intended to create any right to continued employment of the Indemnitee in any capacity.

3. **Indemnity in Regulatory or Court Proceedings, Third Party Proceedings and Derivative Actions**

The Company warrants it shall fund in advance, or if it shall fail to fund in advance for any reason, indemnify the Indemnitee for and against all Expenses if the Indemnitee is a party to or threatened to be made a party to or otherwise involved in any civil, regulatory or criminal proceeding (including even a proceeding by or in the name of the Company against the Indemnitee) by reason of the fact that the Indemnitee is or was an Agent of the Company, or by reason of any act or inaction by him in any such capacity, against any and all expenses and liabilities of any type whatsoever (including, but not limited to, judgements, fines, penalties or settlements), actually and reasonably incurred by him in connection with the investigation, defence, settlement or appeal of such proceeding. The only exception to this comprehensive and universal coverage shall be where fraud or criminal liability is found by the tribunal or court of last appeal and then, and only then, shall indemnity cease and the Company may seek restitution for past Expenses. In all other cases there shall be indemnity and the Company shall not receive return of Expenses but shall pay the full amount thereof. Under no circumstances, other than such referenced finding of fraud or criminal liability, shall the Company refuse or omit to pay or indemnify Expenses and should it do so then the Parties hereto agree and warrant that such constitutes breach of warranty and bad faith and the Company waives all and every plea or defence to summary judgement and garnishment of accounts and that each Expense shall be a sum due and certain from the day of delivery to the Company or its counsel.

4. **Partial Indemnification**

If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any expenses or liabilities of any type whatsoever (including, but not limited to, judgements, fines or penalties) actually and reasonably incurred by him in the investigation, defence, settlement or appeal of a proceeding but is not entitled, however, to indemnification for the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled. In all circumstances it shall be presumed that the Indemnitee is entitled to full indemnity and the Company shall pay all Expenses unless the Indemnitee agrees otherwise or a court, on motion made and heard, determines that the Indemnitee is entitled only to a partial indemnity.

5. **Indemnification of Expenses of Successful Party**

To the extent that the Indemnitee has not been successful on the merits or otherwise in defence of any proceeding or in defence of any claim, issue or matter therein, including the dismissal of an action, the Company shall fund and indemnify the Indemnitee against all Expenses incurred in connection with the investigation, defence or appeal of such proceeding, including payment of the successful party's costs and judgement, unless such is stated in the final un-appealable judgement to be based upon a finding of fraud or criminal misconduct by the Indemnitee.

6. **Advance of Expenses**

The Company shall advance all expenses incurred by the Indemnitee in connection with the investigation, defence, settlement or appeal of any proceeding to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an agent of the Company. Regardless of whether a trust fund has been established for the Indemnitee pursuant to this Agreement, unless the Indemnitee has agreed that such trust fund may be diminished, the advances to be made hereunder, whether for costs directly or to replenish any trust fund, shall be



paid by the Company to or on behalf of the Indemnitee within ten (10) days following delivery (actual or electronic) of a written request therefor by the Indemnitee, or his counsel (for which counsel's invoice shall be sufficient request), to the Company.

7. **Indemnity Fund**

The Company expressly agrees that proceedings or threatened litigation may jeopardize the ability of the Company to act expeditiously or in good faith, or which may place persons in a capacity to influence the Company to resist good faith compliance herewith, the Company will, within two (2) days of written request, advance up to \$1,000,000 US to a trust fund (the "**Indemnity Fund**") with counsel of the Indemnitee's choice as assurance and security against possible processes or as security for ongoing process. The Company warrants and undertakes that it shall not attack or attach or seek to otherwise impair or diminish such Indemnity Fund and warrants that such trust is established with the Company as settler of the trust and the Indemnitee is for all purposes a trust beneficiary but with sole rights of direction of the same for the purposes hereof, such trust and the assets thereof vest and are established for all purposes in the Indemnitee in the hands of his counsel (as trustee) immediately upon funds being delivered to such counsel and the same is and shall be an irrevocable trust in favour of the Indemnitee for the purposes stated in this Agreement. Regardless of the funding of the Indemnity Fund the Company shall pay all Expenses and the Indemnitee is not required to employ the Indemnity Fund first for Expenses or indemnification (the Indemnity Fund is an assurance of last resort for the Indemnitee for Expenses) but, unless otherwise agreed by the Indemnitee, such fund shall be retained unimpaired as continuing security in the event that the Company fails to provide indemnity at any time or is unable to do so. The Indemnitee may elect to employ such Indemnity Fund to assist any other Agent of the Company, who the Company has failed or unreasonably refused to indemnify (such judgement shall be at the reasonable discretion of the Indemnitee unless the Company shall show just and reasonable cause why such other Agent has no right in law to indemnify and, if required by the Indemnitee, has shown such to the satisfaction of a court) similarly situated to the Indemnitee. At any time that the Indemnitee employs any part of the Indemnity Fund the Company shall replenish the Indemnity Fund immediately at the requirement of the Indemnitee.

8. **Notice and Other Indemnification Procedures**

- (a) Promptly after receipt by the Indemnitee of notice of the commencement of or the threat of commencement of any proceeding, the Indemnitee shall, if the Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company of the commencement or threat of commencement thereof unless the Company already knows or constructively knows of the existence of such.
- (b) Any indemnification requested by the Indemnitee shall be complied with by the Company not later than ten (10) days after receipt of written request of the Indemnitee or his counsel. Indemnification shall not be refused and the Company shall thereafter immediately pay the request for indemnity (so long as the same is supported by copies of legal and other expense documentation or by written request of counsel for advances), unless final judgement (including any appeals) has been rendered against the Indemnitee and the Indemnitee has been found at fault for fraud or criminal misconduct, but that in the event that the Indemnitee has only been found partially at fault for such conducts, the Indemnitee shall be paid for the aggregate of Expenses not already paid by the Company in proportion to that part in which the Indemnitee has been found not at fault.
- (c) The Indemnitee shall have the right, at any time that the Company has not done so, to seek approval of the appropriate court to validate or ratify the indemnity herein. The Company



warrants that it shall make such application to the appropriate court immediately upon request of the Indemnitee and shall vigorously seek the approval of the court or, if the application is being made by the Indemnitee (which shall be an indemnified cost hereunder) the Company shall vigorously support such application. The Indemnitee shall have the right to select the counsel the Company employs to make the application and may require that the Company change counsel to another of the Indemnitee's choosing should the Indemnitee not have confidence in the competence or intentions or vigour of the counsel. The Company warrants and agrees that it shall not refuse to seek court approval or shall not oppose the application of the Indemnitee in any manner whatsoever, except only in the event of a final judgement (including appeals) having been rendered finding the Indemnitee to have been at fault in such manner that the Indemnitee is not entitled to indemnity (i.e. - for fraud or criminal misconduct). The Company agrees and undertakes that should it oppose or refuse to seek court approval or to fulfil any obligation for indemnity that then it shall be subject to sanction, costs, and all direct and indirect damages occasioned by a knowledgeable trustee which has knowingly violated a trust and such violation shall be deemed in bad faith and malicious unless clear evidence of reasonable mistake in fact or law shall be shown and the onus thereof shall be the Company's. Moreover, it shall not be sufficient for such purpose that the Company shall rely upon legal opinion unless such legal opinion shall be patently reasonable and it must be clear that such counsel has been given all pertinent fact and the same has arrived at his conclusion in a reasonably unbiased fashion and not employing sharp practice, a probable intent to arrive at such conclusion under instruction to find a contrary position, and not in contemplation of litigation and such counsel shall release such contrary opinion to the Indemnitee (and the Company hereby gives its permission) and the counsel's statement shall advise that he will support and justify such opinion under oath and in proceedings of which he may be made a party.

- (d) In the event that the Company shall refuse, omit, or otherwise, passively or actively, resist indemnifying the Indemnitee, then the Indemnitee may immediately seek an order requiring indemnity by the Company and the Indemnitee shall be indemnified for all costs associated therewith. In the event that such is required, the Company shall no longer thereafter have the right, and it forfeits the same as liquidated damages, to seek recovery of any Expense amounts paid to or for the Indemnitee, regardless of whether final judgements are thereafter rendered against the Indemnitee in such manner that indemnity would not otherwise have been available.
- (e) In the event that the Company, in the opinion of the Indemnitee or its counsel, shall not be, or appear not to be, adequately or vigorously performing its obligations of this Agreement then the Indemnitee may, at his own sole discretion and with notice to the Company, immediately take over all matters to be performed by the Company, perform the same in the name of the Company, dismiss any Company counsel conducting any matter hereunder, the Company shall absolutely resign and withdraw to the extent required by the Indemnitee, and the Indemnitee shall be indemnified for all such matters and shall receive reasonable compensation for his time and costs.

## 9. Assumption of Defence

The Indemnitee shall have the prior right to engage separate counsel of his choosing (and the Company may select its own counsel) and to conduct any proceeding, in his sole and absolute discretion; provided, however, that in the absence of such election the Company, if appropriate and permitted by the Indemnitee, shall be entitled to assume the defence of a proceeding, with counsel reasonably acceptable to the Indemnitee, upon the delivery to the Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by the Indemnitee and

the retention of such counsel by the Company, the Company will also be liable to indemnify under this Agreement for any fees of other counsel subsequently appointed by the Indemnitee, if the Indemnitee shall subsequently reasonably conclude that there is or may be a conflict of interest between the Company and the Indemnitee or a lack of enthusiasm by the Company or its counsel in the conduct of any defence and, pursuant to section 8(e) above, the Indemnity may take conduct of the process entirely.

**10. Insurance**

The Company warrants that, if possible, it shall acquire directors' and officers' liability insurance ("**D&O Insurance**") and the Indemnitee shall be named as an insured by virtue of his service as an Agent of the Company. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to indemnify the Indemnitee for expenses, judgements, fines or penalties which have been paid directly to or for the Indemnitee by D&O Insurance. If the Company has D&O Insurance in effect at the time the Company receives from the Indemnitee any notice of the commencement of a proceeding, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policy. In the event that the D & O Insurance insurers shall not indemnify promptly or if they shall deny coverage then the Company shall directly indemnify the Indemnitee pursuant to this Agreement and the Company shall claim restitution from the D&O Insurance, for which the Indemnitee shall execute all such necessary documents as shall permit the Company to acquire the same.

**11. Exceptions**

The Company may pursue refund of Expenses indemnified pursuant to the terms of this Agreement:

- (a) **Certain Matters.** On account of any proceeding with respect to:
- (i) final unappealed judgement or other final adjudication that conduct was in violation of criminal law, but only to the extent of such prohibition;
  - (ii) final unappealed judgement rendered against the Indemnitee for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company in violation of the criminal sanctions provisions of criminal or securities law, or
  - (iii) final unappealed judgement or other final adjudication that the Indemnitee's conduct was fraudulent.

For purposes of the foregoing provisions, a final judgement or other adjudication may be reached in either the underlying proceedings or action in connection with which indemnification is sought, or a separate proceeding or action to establish rights and liabilities under this Agreement; or

- (b) **Claims Initiated by Indemnitee.** The Company shall not indemnify or advance Expenses to the Indemnitee with respect to proceedings or claims initiated or brought voluntarily by the Indemnitee, and not by way of defence, except with respect to proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law. Indemnification or advancement of Expenses may be provided by the Company in



specific cases if the Board of Directors finds it to be appropriate. However, where counsel advises that it is in the best interest of the Indemnitee or of the case or to ameliorate the effect of any process that an action be initiated (e.g. - pre-emptive claims or motions, counterclaims, third party claims) for or by the Indemnitee then the Company shall indemnify the same; or

- (c) **Unauthorized Settlements.** To indemnify the Indemnitee under this Agreement for any amounts paid in settlement of a proceeding effected without the Indemnitee's or Company's written consent, except where the Company has refused or omitted to reply or participate reasonably, or where the Company unreasonably withholds consent, then so as to facilitate settlement the Indemnitee may act without Company permission (the Indemnitee's counsel's judgement on reasonableness shall be deemed *prima facie* correct for such determination). The Company shall not settle any proceeding without the Indemnitee's written consent. Neither the Company nor the Indemnitee will unreasonably withhold consent to any proposed settlement but that the Indemnitee is not required to consent to any regulatory or criminal penalty or fine regardless of the view of the Company or its counsel.

**12. Non-exclusivity**

The provisions for indemnification and advancement or security of expenses and costs set forth in this Agreement shall not be deemed exclusive of any other rights which the Indemnitee may have under any provision of law, the Company's Memorandum or Articles of Incorporation or bylaws, in court in which a proceeding is brought, by the vote of the Company's shareholders or disinterested directors, other agreements or otherwise, both as to action in his official capacity and to action in another capacity while occupying his position as an Agent of the Company. This Agreement is in addition to and not in substitution for or derogation of any other right and indemnity which the Indemnitee may have under the articles or bylaws of the Company or under any other individual or group benefit or under any D&O Insurance or under law. In the event of conflict with any other provision or benefit, that provision or benefit which provides the greatest liberality and surety of indemnity for the Indemnitee shall govern.

**13. Subrogation**

In the event of judgement or payment for the benefit of the Indemnity as to costs under any process indemnified by this Agreement, the Company shall be subrogated to the extent of such payment in all of the rights of recovery of the Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

**14. Interpretation of Agreement and Company Default**

- (a) It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to the Indemnitee to the fullest extent now or hereafter permitted by law and as contemplated by this Agreement and it is agreed that in the event of any uncertainty or dispute or vagueness of this Agreement or the law that such shall be determined in the manner which most benefits the Indemnitee and which most vigorously secures the intent hereof (which is the fullest possible indemnity and protection of the Indemnitee).
- (b) The parties hereto agree, and the Company acknowledges, that any material default or repeated default of this Agreement by the Company constitutes bad faith and breach of

warranty of performance and would be extremely damaging to the Indemnitee and can lead to loss of reputation, loss of social position, unfair regulatory sanctions, and other consequences, in addition to money, if the Indemnitee is deprived of his ability to defend and prosecute a proceeding. Accordingly, the Company attorns to and will not oppose any act, whether by injunction or otherwise, of the Indemnitee to prevent or terminate such unresponsive or bad faith acts and to provide for all such security or sureties the Indemnitee considers advisable to require compliance with this Agreement. The Company warrants to perform this Agreement with full support for the Indemnitee and with full vigour and to make all proceedings of officers and directors and legal advice (whether or not the Indemnitee is an Agent at such time) available to the Indemnitee in the event of contrary conduct or default and the Company agrees that any act by an officer or director to cause unresponsive act by the Company shall be *prima facie* considered bad faith and malicious on the part of such officer and director and the Company and any action by the Indemnitee in respect to such shall be an indemnified proceeding under this Agreement.

**15. Severability**

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

- (a) the validity, legality and enforceability of the remaining provisions of the Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves, invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and
- (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provisions held to be invalid, illegal, or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

**16. Modification and Waiver**

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

**17. Successors and Assigns**

The terms of this Agreement shall bind and shall enure to the benefit of the successors and assigns of the parties hereto. The Company may not assign any part hereof without the express permission of the Indemnitee in writing.

**18. Notice**

All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given:

- (a) if delivered by hand to the party addressee or by electronic facilities with confirmation evidence of reception; or



- (b) if mailed by certified or registered mail with postage prepaid, on the third business day after the mailing date.

Addresses for notice to either party are as shown on the signature page of this Agreement, or as subsequently modified by written notice, from time to time.

**19. Term**

This Agreement shall continue in full force and effect for the period of time which is the longer of six (6) years following cessation by the Indemnitee of any capacity with the Company (whether as director, officer, employee, or otherwise) or the term under the statute of limitations which may be applicable to the Company and the Indemnitee, from time to time, for any acts, conducts, or omissions of the Indemnitee or the Company. The Indemnitee's rights hereunder shall continue after the Indemnitee has ceased acting as an Agent of the Company for all matters arising during his service and shall enure to the benefit of the heirs, executors and administrators of the Indemnitee. The Indemnitee agrees to dissolve any Indemnity Fund and settle the net assets thereof on the Company at such time as statutory limitations have expired for any actions but in any event not less than the later of six (6) years following termination of the Indemnitee acting as an Agent for the Company or two years after the completion of the last proceeding, or threat of a proceeding, against the Indemnitee.

**20. Governing Law**

The situs of this Agreement is British Columbia and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws prevailing in British Columbia. This Agreement shall be exclusively litigated in British Columbia unless the Parties voluntarily consent otherwise in writing.

**IN WITNESS WHEREOF** the Parties hereto have hereunto set their respective hands and seals in the presence of their duly authorized signatories effective as at the date first above written.

**TRENCHANT CAPITAL CORP.**

Per: "Eric Boehnke"  
Authorized Signatory

SIGNED, SEALED and DELIVERED by THOMAS )  
ENGLISH in the presence of: )  
 )  
"Darren Devine" )  
Signature )  
 )  
Print Name )  
 )  
Address )  
 )  
 )  
 )  
Occupation )

"Thomas English"  
**THOMAS ENGLISH**

## MANAGEMENT AGREEMENT

**THIS AGREEMENT** is made and dated for reference as of the 1<sup>st</sup> day of September, 2020 (the “**Effective Date**”)

BETWEEN:

**TRENCHANT CAPITAL CORP.**, a British Columbia corporation having an address at  
1790, 1066 West Hastings Street, Vancouver, BC, V6E 3X1

(the “**Company**”)

OF THE FIRST PART

AND:

**CHELMER CONSULTING CORP.**, a British Columbia corporation having an address  
at 2717 West 29<sup>th</sup> Avenue, Vancouver, BC, V6L 1X8

(“**Consultant**”)

OF THE SECOND PART

(the Company and Consultant being hereinafter singularly also referred to as a “**Party**” and collectively referred to as the “**Parties**” as the context so requires)

### WHEREAS:

- A. The Company is in the business of making investments in businesses or assets and is listed as an Investment Issuer on the Canadian Securities Exchange;
- B. Consultant has directly contributed his, her or its time and effort to the Company, and its subsidiaries and affiliates, as adviser, without contract;
- C. The Company believes that Consultant is a key person for its development, wants to ensure his long-term commitment to the Company, wishes to recognize his critical contributions to the Company’s development to date and accordingly wishes to retain Consultant as a member of the Board of Directors and advisor to the Company;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual covenants and provisos herein contained, including the Services provided to the Company and the corresponding obligation of the Company for the payment of the Base Fee to the Consultant since September 1, 2020, **THE PARTIES HERETO AGREE AS FOLLOWS:**

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following words and phrases shall have the following meanings:

- (a) “**Agreement**” means this Agreement as from time to time supplemented or amended;
- (b) “**Base Fee**” means that compensation set forth in section 4.1 below;
- (c) “**Board of Directors**” or “**Board**” means the Board of Directors of the Company, or any successors to the Company, as duly constituted from time to time;
- (d) “**Effective Date**” has the meaning ascribed to it at the beginning of the first page hereto;
- (e) “**Indemnified Party**” has the meaning ascribed to it in section 7.1 herein below;
- (f) “**Non-Renewal Notice**” has the meaning ascribed to it in section 3.2 herein below;
- (g) “**Term**” has the meaning ascribed to it in section 3.1 herein below; and
- (h) “**Termination Fee**” has the meaning ascribed to it in section 3.4 below.

## 1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, section or other subdivision of this Agreement;
- (b) the headings are for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope or extent of this or any provision of this Agreement;
- (c) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity; and
- (d) words in the singular include the plural and words in the masculine gender include the feminine and neuter genders, and *vice versa*.

## ARTICLE 2 SERVICES AND DUTIES OF CONSULTANT

### 2.1 General Services

During the Term (as hereinafter defined) of this Agreement Consultant (through its principal) will provide the Company, and its subsidiaries and affiliates, as needed on a part-time basis with such general corporate, administrative, technical and management services as is considered necessary or advisable for the Company to achieve the goals and needs of the Company as determined by the policies, directions, and proceedings of management and the Board of Directors and as is considered within the normal duties of an adviser (collectively, the “**Services**”) or in such other capacity as the Company may reasonably assign within the abilities and capacities of Consultant.

### 2.2 Company Support

The Company shall reasonably make available all such resources as shall be required for Consultant to perform the Services and otherwise to fulfill the requirements of this Agreement. The Company



covenants it shall provide Consultant with all such reasonable resources, financial and otherwise, as Consultant shall require to fulfill its reasonable goals as determined by the Board and this Agreement.

### **ARTICLE 3 TERM, RENEWAL AND TERMINATION**

#### **3.1 Term**

The Term of this Agreement (the “**Term**”) is for a period of approximately three (3) years commencing on September 1, 2020 and terminating August 31, 2023.

#### **3.2 Renewal**

This Agreement shall renew automatically for subsequent one (1) year periods if not specifically terminated in accordance with the following provisions. Renewal shall be on the same terms and conditions contained herein, unless modified and agreed to in writing by the Parties, and this Agreement shall remain in full force and effect (with any collateral written amendments) without the necessity to execute a new document. A Party hereto determining not to renew agrees to notify the other Parties hereto in writing at least one hundred and eighty (180) calendar days prior to the end of the Term of its intent not to renew this Agreement (the “**Non-Renewal Notice**”) and such non-renewal shall be subject to the Termination Fee provisions of section 3.4.

#### **3.3 Termination**

Notwithstanding any other provision of this Agreement, this Agreement may be terminated by a Party upon written notice if:

- (a) the other Party fails to cure a material breach of any provision of this Agreement within thirty (30) calendar days from its receipt of written notice from said Party (unless such breach cannot be reasonably cured within said thirty (30) calendar days and the other Party is actively pursuing curing of said breach); or
- (b) the other Party commits fraud or serious neglect or misconduct or illegal act and is convicted in a court of law in the discharge of its respective duties hereunder or under the law; or
- (c) the other Party becomes adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, and where any such petition is not dismissed.

#### **3.4 Termination Fee**

- (a) Upon this Agreement being terminated prior to the end of the Term (for any cause other than as set forth in Section 3.3 of this Agreement), Consultant shall receive a termination fee (the “**Termination Fee**”) equal to the sum of:
  - (i) at Consultant’s election, buy-out of any outstanding stock options (both vested and unvested portions as if all are vested) for a price equal to the fair market value of the Company’s shares, determined for the thirty (30) days preceding termination and as determined in accordance with accounting principles, multiplied by the number of shares under option and less the exercise price thereof or, at the optionee’s election and subject to any required regulatory approval, extension of the option, and full vesting of the same, for a period of one (1) year after termination or, at the

optionee's election, the immediate vesting and exercise of all granted options and the immediate right to employ 'net exercise' (non-cash exercise) privileges; plus

- (ii) the greater of:
  - (A) the aggregate remaining Base Fee for the unexpired remainder of the Term;  
or
  - (B) 1 x annual Base Fee (Base Fee multiplied by twelve);

But that such aggregate sum of this section 3.4(a)(ii) (therefore not including section 3.4(a)(i) amounts) shall not exceed the Base Fee multiplied by 36 (this section 3.4(a)(ii) is called the "**Non-Option Termination Fee**" as a sub-component of the Termination Fee).

- (b) At the Company's election (such election to be made within fifteen (15) days of the effective date of termination, as defined hereafter) the Non-Option Termination Fee may be paid in twelve (12) equal monthly installments commencing with the first payment fifteen (15) days after the effective date of termination (being the earlier of the expiry of Agreement after a Non-Renewal Notice or otherwise the date of notice (or constructive notice) of termination or the expiration of notice of default of section 3.3 above). In the event of failure to elect or any dispute as to quantum of the Termination Fee (any claimed set-off or counterclaim shall not be deducted from the Termination Fee but shall only be recovered after any judgment), payment thereof shall not be delayed or deferred but shall be made in full immediately at an amount established by Consultant's selected accountant (if Consultant fails to appoint an accountant within ten (10) days of Company demand, then the quantum shall be established by an accountant selected by the Company). The amount of such Termination Fee as determined by the accountant shall be irrevocably deemed an amount due and certain and immediately exigible and payable and the Company waives all defenses to immediate payment of the same and any counterclaims or deductions or set-offs or other allegations of any nature shall not affect the immediate collectability of the total Termination Fee. If the Company fails to pay or disputes the quantum of the Termination Fee as determined by the accountant then Consultant may acquire summary judgment for the same to which the Company concurs and attorns. Any claims by the Company against Consultant shall not interrupt payment of the Termination Fee and any Company claims shall be paid by Consultant only when and in accordance with judgment if a court should find against Consultant.

### 3.5 Transfer of Agreement

In the event that the Company or its business is sold or otherwise transfers to another corporation then, unless Consultant shall elect to treat such as a wrongful termination (he/it shall not so treat it if the transfer is approved by the majority of stockholders), this Agreement shall be assigned automatically to the successor corporation.

## ARTICLE 4 COMPENSATION OF CONSULTANT

### 4.1 Base Fee

- (a) For all services rendered by Consultant under this Agreement, the Company shall pay Consultant, or his/her designated management or professional corporation, a fee (the "**Fee**", also "**Base Fee**") of fifteen thousand (\$15,000) dollars Canadian per month, exclusive of GST.



In addition to the Fee, the Company may, in its absolute discretion consider paying bonuses or other compensation at intervals through the Term. In order to assist the Company during its present transition period and low capital, Consultant agrees to accrue the Base Fee until the earlier of the raising of an aggregate of not less than one million dollars Canadian (through investments, dividends or returns of capital derived from its business as an Investment Issuer) or December 31, 2021.

#### **4.2 Incentive Fee**

In addition to the Fee, Consultant shall also receive an incentive fee (the "Incentive Fee") which shall be no less than that established by the Board for other comparable management. The Incentive Fee shall be based on the following examples, but not limited to, (a) working capital raised, (b) sourcing and financing of investments, (c) divestiture of investments; (d) share price appreciation and other Company milestones.

#### **4.3 Discretionary Bonus**

The Fee and Incentive Fee shall not exclude the granting of discretionary bonuses to Consultant by the Company from time-to-time.

#### **4.4 Reimbursement of Expenses**

Consultant shall be reimbursed for his/her expenses incurred in relation to the completion of the Services. In the event Consultant incurs costs for Company activities, then he/she shall be reimbursed within fifteen (15) days of submission of invoice and support therefore.

#### **4.5 Benefits**

Consultant will not be entitled to participate in any benefit plans of the Company and the Consultant will be responsible for his own medical and health insurance, life insurance and disability insurance costs and will not be entitled to any paid vacation.

#### **4.6 Relationship**

The Company and Consultant each acknowledge and agree that the only relationship of Consultant to the Company created by this Agreement will for all purposes be that of an independent contractor. Nothing in this Agreement or otherwise creates an employment or other relationship between the Company and Consultant or any person performing services for Consultant.

**Consultant** shall generally control the method and manner of performing the Services, and shall be entitled to perform the Services at such locations and at such times as Consultant sees fit, subject to the terms of this Agreement and the Company's requirements.

Consultant will be responsible for remitting any applicable GST, or any other taxes that may be payable in relation to the performance of the Services.

Consultant will fully indemnify and hold harmless the Company from and against all assessments, claims, liabilities, costs, expenses and damages that the Company may suffer or incur with respect to any such taxes or benefits. For greater clarity, Consultant is solely responsible for the deduction and remissions of income tax, pension and employment insurance in respect of any employees retained Consultant to perform the services under this Agreement. Furthermore, if these amounts are not remitted, Consultant will, in addition to any other provision under this Agreement, indemnify and

hold harmless the Company, its subsidiaries, affiliates and their respective directors and officers from and against any claim for taxes, penalties and for withholding of funds by the applicable tax, worker's compensation, employment standards and insurance agencies or any other government agency with respect to any amount found to be payable by the Company to such agency or commission in respect of the Consultant provision of services under this Agreement, including any legal fees incurred by the Company in defending such claims.

## ARTICLE 5 ADDITIONAL OBLIGATIONS OF CONSULTANT

### 5.1 Confidentiality and Restrictions

In accepting this Agreement Consultant is accepting the duty to protect and preserve the Company's and its Parent's affairs, assets and business as follows (to which a liberal interpretation shall be afforded and which shall include the affairs, assets and business of Company affiliates, parents or subsidiaries):

- (a) Confidentiality and Competition. To protect the Company:
  - (i) Consultant will not, except as authorized or required by his/her duties hereunder, reveal or divulge to any person or companies any Confidential Information (as defined below) concerning the Company or its business, or of any of its subsidiaries or affiliates or parent companies, which may come to Consultant's knowledge during the Term of this Agreement, and Consultant will keep in complete secrecy all Confidential Information entrusted to him/her and will not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Company's business. Consultant warrants he/she will employ best practice to safe-guard information and to maintain confidentiality of Confidential Information. This restriction will continue to apply after the termination of this Agreement without limit in point of time but will cease to apply to information or knowledge (which is not protected by patent, copyright, trade-mark or other protection) which may come into the public domain through no act or fault of his/hers.
  - (ii) In this Agreement "**Confidential Information**" shall mean all Company (and affiliates, parents or subsidiaries) information which any of them considers confidential, proprietary, or useful in its business and includes, without restriction and whether marked confidential or not, all information such as know-how, reports, research, engineering, rights and interests, opportunities, designs, drawings, plans, specifications, models, quality controls, trade secrets, software, feedstock, additives, processes, equipment, electronic controllers, patents, devices, methods relevant to the Company's business, organizational charts, business plans, policies, corporate structure, financial information and resources, transactions, contracts and Company customers, contractors and suppliers such as their names, requirements and necessities and Company investors, bankers or other finance sources, and any collateral information which may be in the nature of a latent interest or expectation or corporate opportunity such as inventions, discoveries or improvements conceived, developed or made by the Company or Officers, in whole or in part, or other persons associated with them and all and every other information which would reasonably be considered confidential in the industry or by employment of



reasonable judgment and the burden shall be on Consultant to show that information alleged to be confidential is not.

- (b) Breach of Confidentiality: Consultant acknowledges that the Confidential Information is crucial to the business of the Company (affiliates, parents or subsidiaries) and that in the event of unauthorized disclosure or use of the Confidential Information, which he/she acknowledges would be an act of bad faith as well as a breach of undertaking, the damage to the Company will be irreparable and will not be adequately compensated by monetary award. Accordingly, Consultant agrees that in the event of any such breach, the Company shall be entitled as a matter of right, without notice and prior to service of an originating action in the jurisdiction selected by the Company and on an *ex parte* basis, to apply to Court for relief by way of restraining order, injunction, decree or otherwise as may be appropriate to ensure compliance with the provisions hereof.

## 5.2 Respectful Conduct

- (a) Consultant shall refrain from effecting negative acts or commentary in respect to the Company or persons associated with it (except as may be in fulfillment of lawful obligations or to validly caution the Company about persons who may injure the Company) both during this Agreement or thereafter including refraining from such acts as spreading false or malicious rumours, comment, or innuendo, initiating communications which bring the reputation of the Company into disfavour or under suspicion, or otherwise effecting negative acts or campaigns towards the Company. All communications with or about the Company or its associated persons shall be balanced, truthful and made for honourable purposes and not to sow discord or other results negative to the Company or its associated persons.
- (b) The Company shall treat Consultant with respect and reasonableness and shall not treat him/her to harassing conduct, unreasonable demands on time, shall respect family commitments and generally shall treat him/her with the deference reasonably accorded a favoured service provider.

## 5.3 Compliance with Applicable Laws

Consultant will comply with all laws, whether federal, provincial or state, applicable to Consultant's provision of the Services hereunder and, in addition, hereby represents and warrants that any information which Consultant may provide to any person or company hereunder will be accurate and complete in all material respects and not misleading, and will not omit to state any fact or information which would be material to such person or company.

## 5.4 Reporting

So often as may be required by the Board of Directors, Consultant will provide to the Board of Directors of the Company such information concerning the results of Consultant's Services and activities hereunder as the Board of Directors of the Company may reasonably require. Consultant will present its reports in written form or on an oral basis to the board, as they may request and at the reasonable times they request.

## 5.5 Non-Competition

During this Agreement and for a period of three (3) years following termination Consultant shall not enter into any activity which would cause restriction or competition to the business of the Company and, without restricting the generality, shall not enter into the service of any competitor, shall not

accept any position or effect any investment with a party which competes with the Company or which intends to compete with the Company, nor take any steps which would negatively affect the Company including such acts as inducing officers, employees, shareholders, financiers, bankers, brokers, suppliers, customers, members or other persons associated with the Company (affiliates, parents or subsidiaries) to leave.

## ARTICLE 6 INDEMNIFICATION AND LEGAL PROCEEDINGS

### 6.1 Indemnification

- (a) The Company shall effect reasonable best efforts to maintain appropriate liability insurance for its officers, directors, personnel and consultants to which Consultant shall be made party.
- (b) The Company shall make Consultant a party to all liability insurance policies, to the fullest extent permitted by such policies, which may be acquired for the benefit of all or any of the Company's board or management. Consultant (the "**Indemnified Party**") shall be indemnified and funded on a current basis for all losses, damages, legal expenses, and any other expenses or costs of any nature which may be occasioned by their service with the Company. *Inter alia*, this indemnity shall apply to all manner of actions, proceedings, or prosecutions, whether civil, regulatory, or criminal, to which the Indemnified Party may be subject, due in whole or in part to the Services provided herein or by virtue of any office held. This indemnity shall apply both during and after its Term for all matters arising during the Term, and any extension, until any limitation period has expired in respect to any action which might be contemplated. The Company shall not refuse coverage for any purpose or reason and a strict presumption of innocence shall be applied and the Company may only seek refund of any coverage in the case of finding of fraud or criminal culpability, after exhaustion of all appeals. The Company shall not be entitled to be reimbursed any costs or expenses in the event settlement or of any finding of civil fault or liability except where fraud has been found and all appeals exhausted. The Company shall diligently seek and support any court approvals for the within indemnity as the Indemnified Party may require. The Company shall pay all such retainers and Trust requirements as counsel for the Indemnified Party may require and shall pay all accounts of counsel as they come due and such accounts shall be rendered in the name of the Company and, further, should the Company fail to pay any reasonable account, it shall attorn to all such actions, summary judgments, and garnishing orders as such counsel may consider fit to enforce and receive payment of its account. On request of the Indemnified Party the Company shall immediately activate, establish and fund, as a fund alienated from the title of the Company and into trust for the Indemnified Party, an Indemnity Agreement of the form attached hereto as Schedule A, with amendments as suggested by the Indemnified Party's counsel, and the fund therein established shall be no less than \$500,000 and up to \$1,000,000(US) if so required by the Indemnified Party. The Company shall not seek to settle or compromise any action without the approval of the Indemnified Party. The Company warrants it shall employ due diligence and good faith and seek the best interests of the Indemnified Party as defendants in any action or prosecution. The Indemnified Party shall permit the Company to consult with their counsel and to be informed of any matters thereof, subject only to any requirements for legal privilege purposes.



## **6.2 Claim of Indemnification**

The Parties hereto agree to waive any right they might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming this indemnity.

## **6.3 Notice of Claim**

In case any action is brought against an Indemnified Party in respect of which indemnity may be sought, the Indemnified Party will give the Company prompt written notice of any such action of which the Indemnified Party has knowledge. Failure by the Indemnified Party to so notify shall not relieve the Company of its obligation of indemnification hereunder unless (and only to the extent that) such failure results in a forfeiture of substantive rights or defenses.

## **ARTICLE 7 FORCE MAJEURE**

### **7.1 Events**

If either Party hereto is at any time either during this Agreement or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of strikes, walk-outs, labour shortages, power shortages, fires, wars, acts of God, earthquakes, storms, floods, explosions, accidents, protests or demonstrations by environmental lobbyists or native rights groups, delays in transportation, breakdown of machinery, inability to obtain necessary materials in the open market, unavailability of equipment, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of that Party, then the time limited for the performance by that Party of its respective obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay.

### **7.2 Notice**

A Party shall within seven (7) calendar days give notice to the other Party of each event of *force majeure* under section 7.1 hereinabove, and upon cessation of such event shall furnish the other Party with notice of that event together with particulars of the number of days by which the obligations of that Party hereunder have been extended by virtue of such event of *force majeure* and all preceding events of *force majeure*.

## **ARTICLE 8 NOTICE**

### **8.1 Notice**

Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be sent by prepaid registered mail to the Party, or delivered to such Party, at the address for such Party specified on the front page of this Agreement. The date of receipt of such notice, demand or other communication shall be the date of delivery thereof if delivered, or, if given by registered mail as aforesaid, shall be deemed conclusively to be the third day after the same shall have been so mailed, except in the case of interruption of postal services for any reason whatsoever, in which case the date of receipt shall be the date on which the notice, demand or other communication is actually received by the addressee.

## **8.2 Change of Address**

Either Party may at any time and from time to time notify the other Party in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

## **ARTICLE 9 GENERAL PROVISIONS**

### **9.1 Entire Agreement**

This Agreement constitutes the entire agreement to date between the Parties hereto and supersedes every previous agreement, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise; between the Parties with respect to the subject matter of this Agreement.

### **9.2 No Assignment**

This Agreement may not be assigned by either Party except with the prior written consent of the other Party.

### **9.3 Warranty of Good Faith and Reasonable Conduct**

The Parties hereto warrant each to the other to conduct their duties and obligations hereof in good faith and with due diligence and to employ all reasonable endeavours to fully comply with and conduct the terms and conditions of this Agreement. The Company warrants that the parent of the Company will guarantee the obligations of the Company and that where any benefits are properly to be accounted by the parent that the Company shall cause such parent to provide such benefit.

### **9.4 Further Assurances**

The Parties will from time to time after the execution of this Agreement make, do, execute or cause or permit to be made, done or executed, all such further and other acts, deeds, things, devices and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

### **9.5 Applicable Law**

The situs of this Agreement is British Columbia and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws prevailing in British Columbia. This Agreement shall be exclusively litigated in British Columbia unless the Parties voluntarily consent otherwise in writing.

### **9.6 Severability and Construction**

Each Article, section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable, and if, for any reason, any portion of this Agreement is determined to be invalid, contrary to or in conflict with any applicable present or future law, rule or regulation in a final un-appealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which any Party hereto is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible (all of which shall remain binding on the Parties and continue to be given full force and effect as of the date upon which the ruling becomes final).



**9.7 Consents and Waivers**

No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance by such other of its obligations hereunder shall:

- (a) be valid unless it is in writing and stated to be a consent or waiver pursuant to this section;
- (b) be relied upon as a consent to or waiver of any other breach or default of the same or any other obligation or constitute a general waiver under this Agreement; or
- (c) eliminate or modify the need for a specific consent or waiver pursuant to this section in any other or subsequent instance.

**IN WITNESS WHEREOF** the Parties hereto have hereunto set their respective hands and seals in the presence of their duly authorized signatories effective as at the date first above written.

**TRENCHANT CAPITAL CORP.**

Per: "Eric Boehnke"  
Authorized Signatory

**CHELMER INVESTMENTS CORP.**

Per: "Darren Devine" *President*  
Authorized signatory

**SCHEDULE A**  
**INDEMNITY AGREEMENT**

THIS INDEMNITY AGREEMENT, dated effective as of September 1, 2020, is made

BY AND BETWEEN:

**TRENCHANT CAPITAL CORP.**  
(the “Company”)

AND:

**CHELMER CONSULTING CORP.**  
(“Indemnitee”)

**RECITALS:**

- A. The Company recognises that competent and experienced persons are increasingly reluctant to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance or indemnification, or both, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such persons;
- B. The statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous, or conflicting, and therefore fail to provide such directors or officers with adequate, reliable knowledge of legal risks to which they are exposed or information regarding the proper course of action to take;
- C. The Company and Indemnitee recognise that plaintiffs often seek damages in such large amounts and the costs of litigation may be so enormous (whether or not the case is meritorious), that the defence and/or settlement of such litigation is often beyond the personal resources of individuals;
- D. The Company believes that it is unfair for its directors and officers to assume the risk of huge costs and judgements and other expenses which may occur in cases where the director acted in good faith or merely made errors of judgement less than fraud;
- E. The Board of Directors has determined that contractual indemnification as set forth herein is not only reasonable and prudent, but necessary to promote the best interests of the Company and its shareholders in order to attract and maintain management;

**AGREEMENT:**

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

**1. Definitions**

- (a) **Agent or Indemnitee** - For purposes of this Agreement, “agent” or “indemnitee” or “Indemnitee” of the Company means any person who:

- (i) is or was a director, officer, employee or other agent of the Company or a subsidiary of the Company;
  - (ii) is or was serving at the request of, for the convenience of, or to represent the interest of the Company or a subsidiary of the Company as a director, officer, employee, consultant or agent;
- (b) **Expenses** - For purposes of this Agreement, "**expenses**" includes all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements, other out-of-pocket costs and reasonable compensation for time spent by the Indemnitee for which he is not otherwise compensated by the Company or any third party, provided that the rate of compensation and estimated time involved is not unreasonable or is approved by the Board of Directors), actually and reasonably incurred by the Indemnitee in connection with either the investigation, defence, counterclaim or appeal of a proceeding or establishing or enforcing a right to indemnification under this Agreement of or by law or otherwise, and amounts paid in settlement by or on behalf of the Indemnitee, and shall include any judgements, fines or penalties actually levied against the Indemnitee except where civil fraud or criminal liability is found and all appeals have been exhausted. However, a presumption of innocence shall be maintained and the indemnity herein shall not be prejudiced, delayed or refused by any allegations of fraud or criminality unless and until an actual finding of the court of last appeal and then, and only then, the Company may refuse any further indemnity and may seek reimbursement for past indemnity.
- (c) **Indemnity** - For the purposes of this Agreement "**Indemnity**" or "**indemnity**" shall have its normal legal and colloquial meaning, and as detailed in this Agreement, and shall also include, at the sole option of the Indemnitee, the obligation of the Company to immediately advance any funds, as payment, retainer, security, or otherwise, required or considered advisable by counsel acting for the Indemnitee for any matter covered by this Agreement or to establish irrevocable and non-returnable security trusts or deposits solely under the control of, and at the discretion of, and for the benefit of the Indemnitee (and any other Agents) and his instructed counsel to secure future, pending, or on-going proceedings and the costs thereof of whatsoever nature including any fines or penalties or other party costs which may be incurred.
- (d) **Proceedings** - For the purposes of this Agreement, "**proceedings**" means any threatened, pending, or completed action, suit or other proceeding, whether civil, criminal, administrative, investigative or any other type whatsoever, and by any plaintiff or plaintiffs, without exclusion of any type or nature, including any action brought by the Company.
- (e) **Subsidiary** - For purposes of this Agreement, "**subsidiary**" means any corporation of which more than 50% of the outstanding voting securities are owned directly or indirectly by the Company, by the Company and one or more other subsidiaries, or by one or more other subsidiaries.

## 2. Agreement to Serve

The Indemnitee agrees to serve and/or continue to serve as an agent of the Company, at its will (or under separate agreement, if such agreement exists), in the capacity the Indemnitee currently serves as an agent of the Company, so long as he is duly appointed or elected and qualified in accordance with the applicable provisions of the bylaws of the Company or any subsidiary of the Company or until such time as he tenders his resignation in writing; provided, however, that nothing contained in



this Agreement is intended to create any right to continued employment of the Indemnitee in any capacity.

**3. Indemnity in Regulatory or Court Proceedings, Third Party Proceedings and Derivative Actions**

The Company warrants it shall fund in advance, or if it shall fail to fund in advance for any reason, indemnify the Indemnitee for and against all Expenses if the Indemnitee is a party to or threatened to be made a party to or otherwise involved in any civil, regulatory or criminal proceeding (including even a proceeding by or in the name of the Company against the Indemnitee) by reason of the fact that the Indemnitee is or was an Agent of the Company, or by reason of any act or inaction by him in any such capacity, against any and all expenses and liabilities of any type whatsoever (including, but not limited to, judgements, fines, penalties or settlements), actually and reasonably incurred by him in connection with the investigation, defence, settlement or appeal of such proceeding. The only exception to this comprehensive and universal coverage shall be where fraud or criminal liability is found by the tribunal or court of last appeal and then, and only then, shall indemnity cease and the Company may seek restitution for past Expenses. In all other cases there shall be indemnity and the Company shall not receive return of Expenses but shall pay the full amount thereof. Under no circumstances, other than such referenced finding of fraud or criminal liability, shall the Company refuse or omit to pay or indemnify Expenses and should it do so then the Parties hereto agree and warrant that such constitutes breach of warranty and bad faith and the Company waives all and every plea or defence to summary judgement and garnishment of accounts and that each Expense shall be a sum due and certain from the day of delivery to the Company or its counsel.

**4. Partial Indemnification**

If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any expenses or liabilities of any type whatsoever (including, but not limited to, judgements, fines or penalties) actually and reasonably incurred by him in the investigation, defence, settlement or appeal of a proceeding but is not entitled, however, to indemnification for the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled. In all circumstances it shall be presumed that the Indemnitee is entitled to full indemnity and the Company shall pay all Expenses unless the Indemnitee agrees otherwise or a court, on motion made and heard, determines that the Indemnitee is entitled only to a partial indemnity.

**5. Indemnification of Expenses of Successful Party**

To the extent that the Indemnitee has not been successful on the merits or otherwise in defence of any proceeding or in defence of any claim, issue or matter therein, including the dismissal of an action, the Company shall fund and indemnify the Indemnitee against all Expenses incurred in connection with the investigation, defence or appeal of such proceeding, including payment of the successful party's costs and judgement, unless such is stated in the final un-appealable judgement to be based upon a finding of fraud or criminal misconduct by the Indemnitee.

**6. Advance of Expenses**

The Company shall advance all expenses incurred by the Indemnitee in connection with the investigation, defence, settlement or appeal of any proceeding to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an agent of the Company. Regardless of whether a trust fund has been established for the Indemnitee pursuant to this Agreement, unless the Indemnitee has agreed that such trust fund may be diminished, the advances to be made hereunder, whether for costs directly or to replenish any trust fund, shall be



paid by the Company to or on behalf of the Indemnitee within ten (10) days following delivery (actual or electronic) of a written request therefor by the Indemnitee, or his counsel (for which counsel's invoice shall be sufficient request), to the Company.

**7. Indemnity Fund**

The Company expressly agrees that proceedings or threatened litigation may jeopardize the ability of the Company to act expeditiously or in good faith, or which may place persons in a capacity to influence the Company to resist good faith compliance herewith, the Company will, within two (2) days of written request, advance up to \$1,000,000 US to a trust fund (the "**Indemnity Fund**") with counsel of the Indemnitee's choice as assurance and security against possible processes or as security for ongoing process. The Company warrants and undertakes that it shall not attack or attach or seek to otherwise impair to diminish such Indemnity Fund and warrants that such trust is established with the Company as settler of the trust and the Indemnitee is for all purposes a trust beneficiary but with sole rights of direction of the same for the purposes hereof, such trust and the assets thereof vest and are established for all purposes in the Indemnitee in the hands of his counsel (as trustee) immediately upon funds being delivered to such counsel and the same is and shall be an irrevocable trust in favour of the Indemnitee for the purposes stated in this Agreement. Regardless of the funding of the Indemnity Fund the Company shall pay all Expenses and the Indemnitee is not required to employ the Indemnity Fund first for Expenses or indemnification (the Indemnity Fund is an assurance of last resort for the Indemnitee for Expenses) but, unless otherwise agreed by the Indemnitee, such fund shall be retained unimpaired as continuing security in the event that the Company fails to provide indemnity at any time or is unable to do so. The Indemnitee may elect to employ such Indemnity Fund to assist any other Agent of the Company, who the Company has failed or unreasonably refused to indemnify (such judgement shall be at the reasonable discretion of the Indemnitee unless the Company shall show just and reasonable cause why such other Agent has no right in law to indemnify and, if required by the Indemnitee, has shown such to the satisfaction of a court) similarly situated to the Indemnitee. At any time that the Indemnitee employs any part of the Indemnity Fund the Company shall replenish the Indemnity Fund immediately at the requirement of the Indemnitee.

**8. Notice and Other Indemnification Procedures**

- (a) Promptly after receipt by the Indemnitee of notice of the commencement of or the threat of commencement of any proceeding, the Indemnitee shall, if the Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company of the commencement or threat of commencement thereof unless the Company already knows or constructively knows of the existence of such.
- (b) Any indemnification requested by the Indemnitee shall be complied with by the Company not later than ten (10) days after receipt of written request of the Indemnitee or his counsel. Indemnification shall not be refused and the Company shall thereafter immediately pay the request for indemnity (so long as the same is supported by copies of legal and other expense documentation or by written request of counsel for advances), unless final judgement (including any appeals) has been rendered against the Indemnitee and the Indemnitee has been found at fault for fraud or criminal misconduct, but that in the event that the Indemnitee has only been found partially at fault for such conducts, the Indemnitee shall be paid for the aggregate of Expenses not already paid by the Company in proportion to that part in which the Indemnitee has been found not at fault.
- (c) The Indemnitee shall have the right, at any time that the Company has not done so, to seek approval of the appropriate court to validate or ratify the indemnity herein. The Company



warrants that it shall make such application to the appropriate court immediately upon request of the Indemnatee and shall vigorously seek the approval of the court or, if the application is being made by the Indemnatee (which shall be an indemnified cost hereunder) the Company shall vigorously support such application. The Indemnatee shall have the right to select the counsel the Company employs to make the application and may require that the Company change counsel to another of the Indemnatee's choosing should the Indemnatee not have confidence in the competence or intentions or vigour of the counsel. The Company warrants and agrees that it shall not refuse to seek court approval or shall not oppose the application of the Indemnatee in any manner whatsoever, except only in the event of a final judgement (including appeals) having been rendered finding the Indemnatee to have been at fault in such manner that the Indemnatee is not entitled to indemnity (i.e. - for fraud or criminal misconduct). The Company agrees and undertakes that should it oppose or refuse to seek court approval or to fulfil any obligation for indemnity that then it shall be subject to sanction, costs, and all direct and indirect damages occasioned by a knowledgeable trustee which has knowingly violated a trust and such violation shall be deemed in bad faith and malicious unless clear evidence of reasonable mistake in fact or law shall be shown and the onus thereof shall be the Company's. Moreover, it shall not be sufficient for such purpose that the Company shall rely upon legal opinion unless such legal opinion shall be patently reasonable and it must be clear that such counsel has been given all pertinent fact and the same has arrived at his conclusion in a reasonably unbiased fashion and not employing sharp practice, a probable intent to arrive at such conclusion under instruction to find a contrary position, and not in contemplation of litigation and such counsel shall release such contrary opinion to the Indemnatee (and the Company hereby gives its permission) and the counsel's statement shall advise that he will support and justify such opinion under oath and in proceedings of which he may be made a party.

- (d) In the event that the Company shall refuse, omit, or otherwise, passively or actively, resist indemnifying the Indemnatee, then the Indemnatee may immediately seek an order requiring indemnity by the Company and the Indemnatee shall be indemnified for all costs associated therewith. In the event that such is required, the Company shall no longer thereafter have the right, and it forfeits the same as liquidated damages, to seek recovery of any Expense amounts paid to or for the Indemnatee, regardless of whether final judgements are thereafter rendered against the Indemnatee in such manner that indemnity would not otherwise have been available.
- (e) In the event that the Company, in the opinion of the Indemnatee or its counsel, shall not be, or appear not to be, adequately or vigorously performing its obligations of this Agreement then the Indemnatee may, at his own sole discretion and with notice to the Company, immediately take over all matters to be performed by the Company, perform the same in the name of the Company, dismiss any Company counsel conducting any matter hereunder, the Company shall absolutely resign and withdraw to the extent required by the Indemnatee, and the Indemnatee shall be indemnified for all such matters and shall receive reasonable compensation for his time and costs.

## 9. Assumption of Defence

The Indemnatee shall have the prior right to engage separate counsel of his choosing (and the Company may select its own counsel) and to conduct any proceeding, in his sole and absolute discretion; provided, however, that in the absence of such election the Company, if appropriate and permitted by the Indemnatee, shall be entitled to assume the defence of a proceeding, with counsel reasonably acceptable to the Indemnatee, upon the delivery to the Indemnatee of written notice of its election to do so. After delivery of such notice, approval of such counsel by the Indemnatee and

the retention of such counsel by the Company, the Company will also be liable to indemnify under this Agreement for any fees of other counsel subsequently appointed by the Indemnitee, if the Indemnitee shall subsequently reasonably conclude that there is or may be a conflict of interest between the Company and the Indemnitee or a lack of enthusiasm by the Company or its counsel in the conduct of any defence and, pursuant to section 8(e) above, the Indemnity may take conduct of the process entirely.

**10. Insurance**

The Company warrants that, if possible, it shall acquire directors' and officers' liability insurance ("D&O Insurance") and the Indemnitee shall be named as an insured by virtue of his service as an Agent of the Company. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to indemnify the Indemnitee for expenses, judgements, fines or penalties which have been paid directly to or for the Indemnitee by D&O Insurance. If the Company has D&O Insurance in effect at the time the Company receives from the Indemnitee any notice of the commencement of a proceeding, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policy. In the event that the D & O Insurance insurers shall not indemnify promptly or if they shall deny coverage then the Company shall directly indemnify the Indemnitee pursuant to this Agreement and the Company shall claim restitution from the D&O Insurance, for which the Indemnitee shall execute all such necessary documents as shall permit the Company to acquire the same.

**11. Exceptions**

The Company may pursue refund of Expenses indemnified pursuant to the terms of this Agreement:

- (a) **Certain Matters.** On account of any proceeding with respect to:
- (i) final unappealed judgement or other final adjudication that conduct was in violation of criminal law, but only to the extent of such prohibition;
  - (ii) final unappealed judgement rendered against the Indemnitee for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company in violation of the criminal sanctions provisions of criminal or securities law, or
  - (iii) final unappealed judgement or other final adjudication that the Indemnitee's conduct was fraudulent.

For purposes of the foregoing provisions, a final judgement or other adjudication may be reached in either the underlying proceedings or action in connection with which indemnification is sought, or a separate proceeding or action to establish rights and liabilities under this Agreement; or

- (b) **Claims Initiated by Indemnitee.** The Company shall not indemnify or advance Expenses to the Indemnitee with respect to proceedings or claims initiated or brought voluntarily by the Indemnitee, and not by way of defence, except with respect to proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law. Indemnification or advancement of Expenses may be provided by the Company in



specific cases if the Board of Directors finds it to be appropriate. However, where counsel advises that it is in the best interest of the Indemnitee or of the case or to ameliorate the effect of any process that an action be initiated (e.g. - pre-emptive claims or motions, counterclaims, third party claims) for or by the Indemnitee then the Company shall indemnify the same; or

- (c) **Unauthorized Settlements.** To indemnify the Indemnitee under this Agreement for any amounts paid in settlement of a proceeding effected without the Indemnitee's or Company's written consent, except where the Company has refused or omitted to reply or participate reasonably, or where the Company unreasonably withholds consent, then so as to facilitate settlement the Indemnitee may act without Company permission (the Indemnitee's counsel's judgement on reasonableness shall be deemed *prima facie* correct for such determination). The Company shall not settle any proceeding without the Indemnitee's written consent. Neither the Company nor the Indemnitee will unreasonably withhold consent to any proposed settlement but that the Indemnitee is not required to consent to any regulatory or criminal penalty or fine regardless of the view of the Company or its counsel.

## 12. **Non-exclusivity**

The provisions for indemnification and advancement or security of expenses and costs set forth in this Agreement shall not be deemed exclusive of any other rights which the Indemnitee may have under any provision of law, the Company's Memorandum or Articles of Incorporation or bylaws, in court in which a proceeding is brought, by the vote of the Company's shareholders or disinterested directors, other agreements or otherwise, both as to action in his official capacity and to action in another capacity while occupying his position as an Agent of the Company. This Agreement is in addition to and not in substitution for or derogation of any other right and indemnity which the Indemnitee may have under the articles or bylaws of the Company or under any other individual or group benefit or under any D&O Insurance or under law. In the event of conflict with any other provision or benefit, that provision or benefit which provides the greatest liberality and surety of indemnity for the Indemnitee shall govern.

## 13. **Subrogation**

In the event of judgement or payment for the benefit of the Indemnity as to costs under any process indemnified by this Agreement, the Company shall be subrogated to the extent of such payment in all of the rights of recovery of the Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

## 14. **Interpretation of Agreement and Company Default**

- (a) It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to the Indemnitee to the fullest extent now or hereafter permitted by law and as contemplated by this Agreement and it is agreed that in the event of any uncertainty or dispute or vagueness of this Agreement or the law that such shall be determined in the manner which most benefits the Indemnitee and which most vigorously secures the intent hereof (which is the fullest possible indemnity and protection of the Indemnitee).
- (b) The parties hereto agree, and the Company acknowledges, that any material default or repeated default of this Agreement by the Company constitutes bad faith and breach of

warranty of performance and would be extremely damaging to the Indemnitee and can lead to loss of reputation, loss of social position, unfair regulatory sanctions, and other consequences, in addition to money, if the Indemnitee is deprived of his ability to defend and prosecute a proceeding. Accordingly, the Company attorns to and will not oppose any act, whether by injunction or otherwise, of the Indemnitee to prevent or terminate such unsupportive or bad faith acts and to provide for all such security or sureties the Indemnitee considers advisable to require compliance with this Agreement. The Company warrants to perform this Agreement with full support for the Indemnitee and with full vigour and to make all proceedings of officers and directors and legal advice (whether or not the Indemnitee is an Agent at such time) available to the Indemnitee in the event of contrary conduct or default and the Company agrees that any act by an officer or director to cause unsupportive act by the Company shall be *prima facie* considered bad faith and malicious on the part of such officer and director and the Company and any action by the Indemnitee in respect to such shall be an indemnified proceeding under this Agreement.

**15. Severability**

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

- (a) the validity, legality and enforceability of the remaining provisions of the Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves, invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and
- (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provisions held to be invalid, illegal, or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

**16. Modification and Waiver**

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

**17. Successors and Assigns**

The terms of this Agreement shall bind and shall enure to the benefit of the successors and assigns of the parties hereto. The Company may not assign any part hereof without the express permission of the Indemnitee in writing.

**18. Notice**

All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given:

- (a) if delivered by hand to the party addressee or by electronic facilities with confirmation evidence of reception; or

- (b) if mailed by certified or registered mail with postage prepaid, on the third business day after the mailing date.

Addresses for notice to either party are as shown on the signature page of this Agreement, or as subsequently modified by written notice, from time to time.

**19. Term**

This Agreement shall continue in full force and effect for the period of time which is the longer of six (6) years following cessation by the Indemnitee of any capacity with the Company (whether as director, officer, employee, or otherwise) or the term under the statute of limitations which may be applicable to the Company and the Indemnitee, from time to time, for any acts, conducts, or omissions of the Indemnitee or the Company. The Indemnitee's rights hereunder shall continue after the Indemnitee has ceased acting as an Agent of the Company for all matters arising during his service and shall enure to the benefit of the heirs, executors and administrators of the Indemnitee. The Indemnitee agrees to dissolve any Indemnity Fund and settle the net assets thereof on the Company at such time as statutory limitations have expired for any actions but in any event not less than the later of six (6) years following termination of the Indemnitee acting as an Agent for the Company or two years after the completion of the last proceeding, or threat of a proceeding, against the Indemnitee.

**20. Governing Law**

The situs of this Agreement is British Columbia and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws prevailing in British Columbia.

This Agreement shall be exclusively litigated in British Columbia unless the Parties voluntarily consent otherwise in writing.

**IN WITNESS WHEREOF** the Parties hereto have hereunto set their respective hands and seals in the presence of their duly authorized signatories effective as at the date first above written.

**TRENCHANT CAPITAL CORP.**

Per: "Eric Boehnke"  
Authorized Signatory

**CHELMER INVESTMENTS CORP.**

Per: "Darren Devine" President  
Authorized signatory