

**KR INVESTMENT LTD.**  
363 West 6<sup>th</sup> Avenue  
Vancouver, BC V5Y 1L1

**INFORMATION CIRCULAR**

INFORMATION PROVIDED AS AT SEPTEMBER 12, 2023, EXCEPT AS INDICATED, FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON OCTOBER 17, 2023 (THE “MEETING”).

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This Information Circular is furnished in connection with the solicitation of proxies by management of KR Investment Ltd. (“KR”) for use at the Meeting (or any adjournment thereof), at the time and place and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers or arms-length third parties appointed by KR. Management is unable at this time to accurately estimate what the cost of such solicitation may be. All costs of this solicitation will be borne by KR. All dollar amounts in this Information Circular are in Canadian currency unless otherwise specified.

This document is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and, upon request, a copy of this document will be provided free of charge to any security holder of KR.

**RECORD DATE**

The directors have set September 12, 2023 as the record date for determining which shareholders shall be entitled to receive notice of the Meeting. Only shareholders of record at the close of business on September 12, 2023, who either attend the Meeting personally or complete and deliver the Form of Proxy in the manner and subject to the provisions discussed below, will be entitled to vote or to have their shares voted at the Meeting.

**APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES**

The persons named in the Form of Proxy as proxy holders are directors of KR. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting may do so, either by striking out the printed names and inserting the desired person’s name in the blank space provided in the Form of Proxy or by completing another proper Form of Proxy.** In either case, the completed proxy must be delivered to the office of Odyssey Trust Company, 350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed or any adjournment thereof at which the Proxy is to be used.

A shareholder who has given a proxy may revoke it by an instrument in writing, duly executed by the shareholder or where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation and delivered to KR’s registered office, 363 West 6th Av., Vancouver, British Columbia, V5Y 1L1, at any time up to and including the last business day that precedes the day of the Meeting or, if adjourned, the day that precedes any reconvening thereof, or in any manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken before the revocation.

## VOTING OF PROXIES

If the Form of Proxy is completed, signed and delivered as prescribed above, the persons named as proxy holders in the Form of Proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them. The Form of Proxy confers discretionary authority upon the proxy holders with respect to all other matters or variations to matters which may properly come before the Meeting or an adjournment thereof. As of the date of this Information Circular, management of KR knows of no such amendments, variations or other matters to come before the Meeting, other than matters referred to in the Notice of Meeting. If other matters should properly come before the Meeting, however, the Form of Proxy will be voted on such matters in accordance with the best judgement of the person or persons voting the Proxy.

**If no choice is specified by a shareholder in the Form of Proxy with respect to a matter identified in the Form of Proxy or any amendment or variations to such matters, it is intended that the person designated by management in the Form of Proxy will vote the shares therein represented in favour of each matter identified on the Form of Proxy and for the nominees of management for directors and auditors.**

## BENEFICIAL HOLDERS OF COMMON SHARES

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “NOBOs”. Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “OBOs”.

In accordance with securities laws, we will have distributed copies of the Meeting materials to NOBOs and to the Nominees for onward distribution to OBOs. **The Company does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO’s Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting materials sent to non-registered holders who have not waived the right to receive Meeting materials are accompanied by a request for voting instructions (a “**VIF**”), instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares of the Company which they beneficially own. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and

where the VIF is to be delivered. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its Nominee, as applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.** Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

As at September 12, 2023, there were a total of 2,365,623 common shares outstanding. Each common share entitles the holder thereof to one vote. Persons who are registered shareholders at the close of business on September 12, 2023 will be entitled to receive notice of, attend, and vote at the Meeting.

To the knowledge of KR's directors and executive officers no person or company beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to KR's issued and outstanding common shares as at September 12, 2023.

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

Except as otherwise disclosed in this Information Circular, no director, executive officer, proposed management nominee, or any associate or affiliate thereof has any material interest, direct or indirect, by way of beneficial ownership of shares of KR or otherwise in the matters to be acted upon at the Meeting, other than the election of directors and the approval of the Stock Option Plan. Directors and executive officers of the Company may participate in the Stock Option Plan, and accordingly have an interest in its approval.

#### **FIXING THE SIZE OF THE BOARD OF DIRECTORS**

It is intended that the size of the board of directors be established at four (4). This requires the approval of the shareholders of KR by an ordinary resolution which approval will be sought at the Meeting.

#### **APPOINTMENT OF AUDITORS**

KR appointed Davidson & Company LLP, Chartered Professional Accountants, as auditors of KR on February 25, 2015. Management of KR will recommend to the Meeting to appoint Davidson & Company LLP as auditors of KR for the ensuing year and to authorize the directors to fix their remuneration.

**Unless otherwise instructed, the proxies solicited by management will be voted FOR the appointment of Davidson & Company LLP as auditor of KR.**

#### **ELECTION OF DIRECTORS**

At the Meeting, shareholders will be called upon to elect four (4) directors for the ensuing year or until their successors are duly elected or appointed, unless the director's office is earlier vacated in accordance with the Articles of KR, or unless such director becomes disqualified to act as a director. While management does not contemplate that any of its nominees will be unable to serve as a director, if any management nominee should become unavailable, the

Form of Proxy will be voted for substitute nominees as may be nominated by management. Set forth below is information regarding each management nominee for election at the Meeting as a director of KR:

Name and Present Position with KR and Residence	Principal Occupation or Employment and, if not an Elected Director, Occupation During the Past Five Years	Director Since	Approximate Number of Shares Beneficially Owned Directly or Indirectly <sup>(2)</sup>
S. John Kim <sup>(1)</sup> Vancouver, British Columbia Canada <i>Chief Executive Officer and Director</i>	Chief Executive Officer of KR (November 27, 2020 to Present); and Chief Financial Officer of KR (January 2019 to November 2020).	Aug 4, 2010	Nil
Peter Kohl North Vancouver, British Columbia Canada <i>Chief Financial Officer, Secretary and Director</i>	President of Insight Accounting Inc. (August 2003 to Present).	Nov 27, 2020	Nil
Eli Dusenbury <sup>(1)</sup> Vancouver, British Columbia Canada <i>Director Nominee</i>	Chartered Professional Accountant and CFO of various public companies. CFO of Alpha Metaverse Technologies Inc. (June 2020 to Present); CFO of Telecure Technologies Inc. (December 2020 to Present); Director of HYTN Innovations Inc. (February 2022 to Present); CFO (September 2020 to December 2021) and Director of Pan American Energy Corp. (April 2021 to November 2022); CFO of HAVN Life Sciences Inc. (April 2020 to July 2021); CFO of Chemesis International Inc. (September 2018 to June 2020); CFO of Isodiol International Inc. (July 2018 to June 2020); and CFO of IMC International Mining Corp. (September 2018 to February 2020)	n/a	Nil
Mike Aujla <sup>(1)</sup> Vancouver, British Columbia Canada <i>Director Nominee</i>	Director of Refined Metals Corp. (July 27, 2018 to Present); and Founding Partner of Hunter West Legal Recruitment (October 2017 to Present).	n/a	Nil

(1) Member of the audit committee.

(2) Based upon information provided by the directors.

KR does not have a compensation committee nor an executive committee of the Board.

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

Other than as set out herein, no proposed director of the Company is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

- (a) was subject to an order 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 an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above, “order” means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) 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.

On May 3, 2022, the British Columbia Securities Commission issued a cease trade order to Mr. Eli Dusenbury and Telecure Technologies Inc., a company for which Mr. Dusenbury is an insider, for failing to file audited financial statements for the year ended December 31, 2021, along with the accompanying management’s discussion and analysis, within the required time period. This cease trade order currently remains in effect as of the date hereof.

No proposed director of the Company has, within the past 10 years, become 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 the assets of the proposed director.

To the knowledge of the Company, no nominee for 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 shareholder in deciding whether to vote for a proposed director.

No proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

## **STATEMENT OF CORPORATE GOVERNANCE**

National Instrument 58-101, Disclosure of Corporate Governance Practices, requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by KR in adopting its corporate governance practices. KR’s approach to corporate governance is set out below.

### *Board of Directors*

KR's Board of Directors (the "**Board**") currently consists of three (3) directors: S. John Kim, Peter Kohl and Julie Hajduk. The management of the Company proposes to increase the number of directors to four (4). The Nominees for election to the Board at the Meeting are: S. John Kim, Peter Kohl, Eli Dusenbury and Mike Aujla. Ms. Julie Hajduk will not stand for re-election.

The Guidelines suggest that the board of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under Section 1.4 of NI 52-110. A director is independent if the individual has no direct or indirect material relationship with KR which could, in the view of KR's Board, be reasonably expected to interfere with the exercise of a director's independent judgment whether on the Board or a committee of the Board. Notwithstanding the foregoing, an individual who is, or has been within the last three years, an employee or executive officer of KR is considered to have a material relationship with KR.

The following members or proposed members of the Board are independent: Eli Dusenbury and Mike Aujla. The following members are not independent: S. John Kim and Peter Kohl, as Mr. Kim is the current Chief Executive Officer of KR and Mr. Kohl is the Chief Financial Officer.

### *Directorships*

The following table sets forth the directors or proposed directors of KR who currently serve as directors of other reporting issuers:

<b>Name of Director or Proposed Director</b>	<b>Other Reporting Issuers</b>
Eli Dusenbury	HYTN Innovations Inc.
Mike Aujla	Refined Metals Corp.

### *Orientation and Continuing Education*

KR does not have a formal orientation and education program for new directors; however, any new directors will be given the opportunity to familiarize themselves with KR's operations and the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education.

### *Ethical Business Conduct*

The Board has not yet adopted a formal written Code of Business Conduct and Ethics. In recruiting new board members, the Board considers only persons with a demonstrated record of ethical business conduct.

### *Nomination of Directors*

The Board is responsible for selecting any new nominees to the Board, although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the Chief Executive Officer. The Board monitors, but does not formally assess, the performance of individual Board members or committee members or their contributions.

### *Compensation Committee*

The Board has not, to date, constituted a compensation committee.

### *Other Board Committees*

KR does not have any standing committees other than the Audit Committee. For details on the Audit Committee please refer to the "Audit Committee" section.

### *Assessments*

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on KR's size, stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The entire Board is responsible for selecting new directors and assessing current directors. A proposed director's credentials are reviewed in advance of a Board meeting by one or more members of the Board prior to the proposed director's nomination.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Interpretation**

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 for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

**"external management company"** includes a subsidiary, affiliate or associate of the external management company;

**"NEO" or "named executive officer"** means each of the following individuals:

- (a) each individual who, in respect of KR, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**") including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of KR, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**") including an individual performing functions similar to a CFO;
- (c) in respect of KR and its subsidiaries, the most highly compensated executive officer other than the individual identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of KR, and was not

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;

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

### Named Executive Officers

During the fiscal years ended August 31, 2023 and 2022, the following individuals were NEOs of KR:

- S. John Kim, CEO; and
- Peter Kohl, CFO.

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

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by KR to each NEO and director of KR, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of KR for services provided and for services to be provided, directly or indirectly, to KR in the two most recently completed financial years ended August 31, 2023 and August 31, 2022.

Table of compensation, excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
S. John Kim <i>CEO and Director</i>	2023	15,750	Nil	Nil	Nil	Nil	15,750
	2022	63,000	Nil	Nil	Nil	Nil	63,000
Peter Kohl <i>Chief Financial Officer, Secretary and Director</i>	2023	15,750	Nil	Nil	Nil	Nil	15,750
	2022	15,750	Nil	Nil	Nil	Nil	15,750



Table of compensation, excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Julie Hajduk <i>Former Director</i> <sup>(3)</sup>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
David Melillo <i>Former Director</i> <sup>(2)</sup>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) These amounts were paid.

(2) Mr. Melillo resigned as a director on August 8, 2023.

(3) Ms. Julie Hajduk will not stand for re-election at the Meeting.

### External Management Companies

KR does not presently have any arrangements with any external management company to provide executive management services to KR. Management functions of KR are substantially performed by directors or senior officers of KR.

### Stock Options and Other Compensation Securities

During the financial year ended 2022, no incentive stock options were granted to directors and NEOs under KR's Stock Option Plan (the "**Stock Option Plan**") and no incentive stock options were exercised by a director or NEO. During the financial year ended 2023, no incentive stock options were granted to directors and NEOs under the Stock Option Plan and no incentive stock options were exercised by a director or NEO.

The following table sets forth details for all stock options outstanding for each of the Named Executive Officers and directors as at the year ending August 31, 2023.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant (m/d/y)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (m/d/y)
S. John Kim, <i>CEO and Director</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Peter Kohl, <i>CFO and Director</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Julie Hajduk <i>Former Director</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
David Melillo, <i>Former Director</i>	Stock Options	60,000	Mar 31, 2021	\$0.10	\$0.09	\$0.17	Nov 6, 2023

### Stock Option Plans and Other Incentive Plans

The Stock Option Plan is a rolling stock option plan. Pursuant to Policy 4.4 of the TSX Venture Exchange (the “**Exchange**”), corporations that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the corporation must receive yearly shareholder approval of the stock option plan. For a summary of the Stock Option Plan, please refer to the section herein entitled “*Particulars of Other Matters to be Acted Upon – Stock Option Plan*”. At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass the Stock Option Plan Resolution (as defined herein).

### Employment, consulting and management agreements

KR does not have any employment, consulting or management agreements with its executives and directors at this time.

## Oversight and Description of Director and Named Executive Officer Compensation

KR relies solely on Board discussion to determine compensation paid to executives and directors, without any formal objectives, criteria or analysis. KR's compensation program currently relies heavily on the granting of stock options.

The long-term incentive program is intended to align the interests of the NEOs, directors, consultants and employees with those of KR's shareholders over the longer term and to provide a retention incentive for each NEO. This component of the compensation package consists of grants of options to purchase common shares. Numerous factors are taken into consideration by the Board in determining grants of options, including: a review of the previous grants (including value both at the current share prices and potential future prices), the remaining time to expiry, overall corporate performance, share price performance, the business environment and the role and performance of the individual in question.

### Pension Disclosure

KR does not have any pension, defined benefit, defined contribution or deferred compensation plan in place.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which KR currently has in place is the Stock Option Plan which was last approved by KR's shareholders on November 10, 2021. See "*Particulars Of Other Matters To Be Acted Upon – Stock option Plan*". The following table sets out, as of the end of KR's financial year ended August 31, 2023, all information required with respect to compensation plans under which equity securities of KR are authorized for issuance:

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a) (c))</b>
Equity compensation plans approved by securityholders	60,000 <sup>(1)</sup>	\$0.10	176,562 <sup>(2)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>60,000</b>	<b>\$0.10</b>	<b>176,562</b>

(1) Options outstanding which have been granted pursuant to KR's Stock Option Plan.

(2) KR currently has a "rolling" Stock Option Plan. The aggregate number of common shares reserved for issuance is a maximum of 10% of the issued and outstanding share capital of KR as at the date of grant. As at August 31, 2023, 176,562 options remain available for issuance.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein or in the Financial Statements, no informed person of KR, any proposed director of KR, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction since the commencement of KR's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect KR. An "informed person" means a director or executive officer of a reporting issuer; a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; any person or company who beneficially owns, directly or indirectly, voting shares of a reporting issuer or who exercises control or direction over shares of the reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer; and a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it hold any of its securities.

## MANAGEMENT CONTRACTS

No management functions of KR are to any substantial degree performed by a person other than its directors or senior officers.

## AUDIT COMMITTEE

### The Audit Committee's Charter

A copy of KR's Audit Committee Charter is attached as Schedule "B" to this Information Circular.

### Composition of the Audit Committee

The following individuals are currently the members of the Committee:

Name	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
S. John Kim	N	Y
Eli Dusenbury	Y	Y
Mike Aujla	Y	Y

(1) As defined by National Instrument 52-110 ("**NI 52-110**").

KR is relying on the exemption provided under Section 6.1 of NI 52-110 for venture issuers which exempts venture issuers from the requirements of Part 3 (*Audit Committee Composition*) and Part 5 (*Reporting Obligations*) of NI 52-110. Part 5 requires that if management of an issuer solicits proxies from the shareholders for the purpose of electing directors, the issuer must

include a cross-reference to the issuer's AIF that contains additional information about the qualifications of its directors. KR has not filed an AIF.

### **Relevant Education and Experience**

Mr. Kim has been involved as a director and/or officer of reporting issuers since 1994. He has participated in initial public offerings, reverse takeovers and numerous public and private equity financings. In addition, he served as a member of the audit committee of Mount Dakota Energy Corp. (now HYTN Innovations Inc.). Mr. Kim has attained financial literacy as a result of his extensive experience with reporting issuers and has gained a thorough understanding of financial statements and the audit process.

Mr. Dusenbury, CPA, CA has experience in public accounting, providing services to both public and private sector clients reporting in Canada and in the United States over a broad range of industries including, but not limited to, technology, agriculture, engineering, mining & exploration, manufacturing and financing. Mr. Dusenbury obtained his Chartered Professional Accountant designation in 2011 and holds a Bachelor of Business Administration in Business and Accounting from Capilano University. Mr. Dusenbury has served as consultant for audit and public practice firms in both Canada and the United States and has held the position of Chief Financial Officer.

Mr. Aujla brings over 16 years of experience acting as a lawyer, director and officer for both public and private companies. He holds a Bachelor of Arts degree from the University of British Columbia and a Juris Doctor from the University of Victoria. Mr. Aujla was previously a corporate lawyer who worked with top international law firms. He has experience advising companies in financial services, corporate mergers and acquisitions and commercial real estate in various jurisdictions. Mr. Aujla is currently the Founding Partner of Hunter West Legal Recruitment.

Each audit committee member has had extensive experience reviewing financial statements. Each member has an understanding of KR's business and has an appreciation for the relevant accounting principles for that business.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of KR's most recently completed financial year has KR relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

## External Auditor Service Fees (By Category)

The aggregate fees billed by KR's external auditors in the last two fiscal years for audit service fees are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees
August 31, 2023	\$16,500	Nil	\$2,100	Nil
August 31, 2022	\$15,000	Nil	\$2,100	Nil

- (1) "Audit Fees" include fees necessary to perform the annual audit of KR's financial statements and fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by legislation or regulation.
- (2) The "Audit Related Fees" were incurred for the auditor's review of KR's filing statement in connection with KR's qualifying transaction.
- (3) "Tax fees" include preparation and filing of KR's corporation tax return.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Stock Option Plan

The purpose of the Stock Option Plan is to encourage ownership of the common shares of KR by persons ("**Eligible Persons**") who are directors, senior officers and Employees of, as well as Consultants and employees of management companies providing services to, KR. Given the competitive environment in which KR operates its business, the Stock Option Plan will assist it to attract and retain valued directors, senior officers, Employees, Consultants and management company employees.

The Stock Option Plan is subject to the requirements of Exchange Policy 4.4 – *Security Based Compensation* ("**Policy 4.4**"). On November 24, 2021, the Exchange revised Policy 4.4 and the Board consequently approved amendments to the Stock Option Plan to reflect the new Policy 4.4. As the Stock Option Plan is a "rolling plan", the policies of the Exchange provide that KR must seek shareholder approval of the Stock Option Plan annually. Accordingly, at the Meeting, shareholders will be asked to pass an ordinary resolution (the "**Stock Option Plan Resolution**") approving the Stock Option Plan, as amended in accordance with Policy 4.4.

The following summary is a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for shareholders review at the Meeting:

1. The maximum number of shares that may be issued upon the exercise of stock options previously granted and those granted under the Stock Option Plan will be a maximum of 10% of the issued and outstanding common shares at the time of the grant.
2. Stock options can be issued to persons who are directors, senior officers, employees, advisory board members and consultants of, or employees of management companies providing services to, KR.
3. The minimum exercise price of a stock option cannot be less than the Discounted Market Price of KR's common shares.

4. The number of options granted to any one individual may not exceed 5% of the outstanding listed shares in any 12 month period, unless KR obtains disinterested shareholder approval.
5. The number of options granted to any one Consultant may not exceed 2% of KR's outstanding listed shares in any 12 month period.
6. The number of options granted to any Employee conducting Investor Relations Activities in any 12 month period may not exceed 2% of KR's outstanding listed shares in any 12 month period.
7. No option may vest before the date that is one year following the date it is granted or issued, and options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than 1/4 of the options vesting in any 3 month period.
8. All options granted under the Stock Option Plan may not have an expiry date exceeding ten years from the date on which the Board of Directors grant the option.
9. If the optionee is a director, senior officer, Employee, Consultant or management company employee and ceases to be (other than by reason of death) an Eligible Person, then the option granted shall expire within a reasonable period of time, as determined by the Board of Directors, following the date that the option holder ceases to be an Eligible Person, subject to the terms and conditions set out in the Stock Option Plan.
10. If an optionee ceases to be an Eligible Person by reason of death, an optionee's heirs or administrators shall have until the earlier of:
  - (a) one year from the death of the option holder; and
  - (b) the expiry date of the optionsin which to exercise any portion of options outstanding at the time of death of the optionee.
11. The Stock Option Plan will be administered by KR's Board of Directors who will have the full authority and sole discretion to grant options under the Stock Option Plan to any Eligible Person, including themselves.
12. The options are non-assignable and non-transferable.
13. The Board of Directors may from time to time, subject to regulatory approval, amend or revise the terms of the Stock Option Plan.

"Consultant", "Employee", "Eligible Person", "Investor Relations Activities" and "Discounted Market Price" all have the same definition as in the Policies of the Exchange.

Accordingly, Shareholders will be asked to consider, and if thought appropriate, to approve, with or without amendment, the Stock Option Plan Resolution as set out in Schedule "A" to this Information Circular approving the Stock Option Plan.

**Unless otherwise instructed, the proxies solicited by management will be voted FOR the Stock Option Plan Resolution.**

### **ADDITIONAL INFORMATION**

Additional information concerning KR is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information concerning KR is provided in KR's condensed financial statements and Management Discussion and Analysis for the nine-months period ended May 31, 2023 and 2022, and the audited financial statement and Management Discussion and Analysis for the fiscal year ended August 31, 2022, which are also available on SEDAR+.

MANAGEMENT KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OF SHAREHOLDERS OTHER THAN THOSE REFERRED TO IN THE NOTICE OF MEETING; HOWEVER, SHOULD ANY OTHER MATTERS WHICH ARE NOT KNOWN TO MANAGEMENT PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE FORM OF PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGEMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

**THIS INFORMATION CIRCULAR HAS BEEN APPROVED BY THE BOARD OF DIRECTORS OF KR.**

**BY ORDER OF THE BOARD OF DIRECTORS**

*(s) "S. John Kim"*

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S. John Kim, CEO and Director



**SCHEDULE "A"**  
**STOCK OPTION PLAN RESOLUTION**

**"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The Stock Option Plan as set forth in the Information Circular dated September 12, 2023 and the reservation for issuance thereunder of up to 10% of the aggregate number of common shares of KR as are issued and outstanding from time to time, is hereby confirmed, ratified and approved and the Board of Directors of KR be and is hereby authorized in their absolute discretion to establish and administer the Stock Option Plan in accordance with its terms and conditions, subject to the policies of the Exchange.
2. The Board of Directors be authorized on behalf of KR to make any amendments to the Stock Option Plan as may be required by regulatory authorities, without further approval of KR's Shareholders, in order to ensure adoption of the Stock Option Plan.
3. Any one director of KR be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his or her opinion may be necessary to desirable to give effect to this resolution, including making any amendments to the Stock Option Plan as may be required by regulatory authorities, without further approval of KR's Shareholders."

## **SCHEDULE "B"**

### **KR INVESTMENT LTD.**

**(the "Company")**

#### **AUDIT COMMITTEE CHARTER**

(Dated for Reference September 15, 2010)

#### **MANDATE**

The audit committee (the "**Committee**") will assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reporting process, the system of internal control and the audit process.

#### **COMPOSITION**

The Committee shall be comprised of at least three members. Each member must be a director of the Company. A majority of the members of the Committee shall not be officers or employees of the company or of an affiliate of the Company. At least one member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the term "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate and an independent director as defined in Section 1.4 of National Instrument 52-110 *Audit Committees*.

#### **MEETINGS**

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give Committee members 24 hours' advance notice of each meeting and the matters to be discussed at it. Notice may be given personally, by telephone, facsimile or e-mail.

The external auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at any other meeting. On request by the external auditor, the Chair shall call a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to

communicate with each other. A member may participate in a meeting of the Committee by a communications medium other than telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the external auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the external auditor and management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

## **RESPONSIBILITIES AND DUTIES**

### **Financial Accounting and Reporting Process and Internal Controls**

The Committee is responsible for reviewing the Company's financial accounting and reporting process and system of internal control. The Committee shall:

- (a) Review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles ("**GAAP**") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements.
- (b) With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors and have meetings with the Company's auditors without management present, as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (c) Review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
- (d) Review and satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
- (e) Review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws, before the Company publicly discloses this information.

- (f) Meet no less frequently than annually with the external auditors and the Chief Financial Officer to review accounting practices, internal controls and such other matters as the Committee or Chief Financial Officer deem appropriate.
- (g) Inquire of management and the external auditors about significant financial risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
- (h) Review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- (i) Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

## **AUDIT**

### **External Auditor**

The Committee has primary responsibility for the selection, appointment, dismissal and compensation and oversight of the external auditors, subject to the overall approval of the Board of Directors. In carrying out this duty, the Committee shall:

- (a) Require the external auditor to report directly to the Committee.
- (b) Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment as the external auditor for the ensuing year and the compensation for the external auditors, or, if applicable, the replacement of the external auditor.
- (c) Review, annually, the performance of the external auditor.
- (d) Review and confirm the independence of the external auditor.
- (e) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the external auditor and former independent external auditor of the Company.
- (f) Pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor.

### **Audit and Review Process and Results**

The Committee is directly responsible for overseeing the work by the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit or review services for the Company. The Committee shall:

- (a) Review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- (b) Review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- (c) Obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information with GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment.
- (d) Ensure that all material written communications between the Company and the external auditors are sent to the Committee.
- (e) Review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (f) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.

**OTHER**

- (a) Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
- (b) Report regularly and on a timely basis to the Board of Directors on matters coming before the Committee.
- (c) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

**AUTHORITY**

The Committee is authorized to:

- (a) to seek any information it requires from any employee of the Company in order to perform its duties;
- (b) to engage, at the Company's expense, independent legal counsel or other professional advisors on any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay the compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the internal and external auditors of the Company.