

PROSPECT PARK CAPITAL CORP.

Annual & Special Meeting of Shareholders

to be held on March 11, 2020

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

PROSPECT PARK CAPITAL CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “**Meeting**”) of Shareholders of Prospect Park Capital Corp. (the “**Corporation**”) will be held at the offices of DLA Piper (Canada) LLP, Suite 6000, 1 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1E2, on Wednesday, the 11th day of March, 2020 at the hour of 10:30 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the years ended September 30, 2019, 2018, 2017 and 2016, together with the report of the auditors thereon;
2. to elect four (4) directors for the ensuing year;
3. to appoint auditors of the Corporation for the ensuing year and authorize the directors to fix their remuneration;
4. to consider and, if thought appropriate, to pass an ordinary resolution (the text of which is disclosed in Section 8(iv) of the Management Information Circular) to ratify, confirm and approve the amended and restated stock option plan of the Corporation; and
5. to transact such further or other business as may properly come before the said meeting or any adjournment or adjournments thereof.

A copy of the Management Information Circular, a form of proxy and a return envelope accompany this Notice of Meeting. A copy of the audited financial statements of the Corporation for the years ended September 30, 2019, 2018, 2017 and 2016, together with the reports of the auditors thereon, and accompanying management discussion and analysis’, will be available for review at the Meeting and are available to the public on the SEDAR website at www.sedar.com.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting was February 6, 2020 (the “**Record Date**”). Shareholders of the Corporation whose names had been entered on the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof.

The instrument appointing a proxy must be in writing and must be executed by the shareholder or his or her attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The individuals named in the enclosed form of proxy are directors and/or officers of the Corporation. Each shareholder has the right to appoint a proxyholder other than such individuals, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder’s behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder’s appointee should be legibly printed in the blank space provided.

DATED this 10th day of February, 2020.

BY ORDER OF THE BOARD

(signed) “James Greig”
Chief Executive Officer

INFORMATION CIRCULAR
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF
PROSPECT PARK CAPITAL CORP.

(this information is given as of February 10, 2020)

1. SOLICITATION OF PROXIES

This Information Circular is provided in connection with the solicitation of proxies by the management of Prospect Park Capital Corp. (the “Corporation”) for use at the Annual and Special Meeting of the Shareholders of the Corporation (the “Meeting”), to be held on March 11, 2020, at the place and time and for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the “Notice of Meeting”) and at any adjournment thereof. This solicitation is being made primarily by mail, but proxies may also be solicited by directors, officers or employees of the Corporation. The cost of the solicitation of proxies will be borne by the Corporation.

2. APPOINTMENT OF PROXYHOLDERS

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A shareholder has the right to appoint a person other than the persons named in the enclosed forms of proxy to attend and vote for him or her at the Meeting.** In order to do so, the shareholder may cross out the names printed in these forms of proxy and insert such person’s name in the blank space provided thereon or complete another form of proxy. In either case, the duly completed forms of proxy must be delivered to the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof or the Secretary of the Meeting, on the day of the Meeting or any adjournment thereof. It is not necessary to be a shareholder in order to act as a proxy.

3. REVOCATION OF PROXIES

A shareholder may revoke his proxy at any time, relating to any question for which the voting right granted by the proxy has not yet been exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Such revocation must be deposited with the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, at any time up to and including the day preceding the day of the Meeting, or with the Chairman or Secretary of the Meeting on the day of the Meeting, or in any other manner permitted by law.

4. EXERCISE OF PROXY

The voting rights attached to the common shares in the capital of the Corporation (the “Common Shares”) represented by proxies will be voted or withheld from voting in accordance with the instructions indicated therein. **If no instructions are given, the voting rights attached to said Common Shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOUR of all the matters described therein.**

The enclosed form of proxy confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no such amendments or other matters to come before the Meeting.

5. NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their Common Shares in their own name (the “Non-Registered Shareholders”) are advised that only proxies from shareholders of record can be recognized and voted at the Meeting.

Most Shareholders are Non-Registered Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

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

The Notice of Meeting, this Information Circular and the instrument of proxy or a voting instruction form and the request form (collectively, the “**Meeting Materials**”) are being sent to both registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Non-Objecting Beneficial Owners

If you are a NOBO, the Corporation is sending the Meeting Materials to you directly. Please complete the voting instruction form and carefully follow the instructions therein for return of the executed form or other method of response. If you wish to vote in person at the Meeting (or to have another person attend and vote on your behalf), you must insert your own name (or such other person’s name) in the space provided for the appointment of a proxyholder on the voting instruction form and carefully follow the instructions therein for return of the executed form or other method of response.

Objecting Beneficial Owners

In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for distribution to OBOs.

Intermediaries are required to forward the Meeting Materials to OBOs unless an OBO has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to OBOs.

OBOs are not permitted to vote at the Meeting. Generally, OBOs who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the OBO and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the OBO but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the OBO when submitting the proxy. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1.**

In either case, the purpose of these procedures is to permit OBOs to direct the voting of the Common Shares they beneficially own. Should an OBO who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the OBO), the OBO should strike out the persons named in the instrument of proxy and insert the OBO or such other person’s name in the blank space provided. **In either case, OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the Instrument of Proxy or voting instruction form is to be delivered.**

An OBO may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven (7) days prior to the Meeting.

Unless otherwise indicated in this Information Circular and in the form of proxy and Notice of Meeting attached hereto, shareholders shall mean registered shareholders.

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

Except as described elsewhere in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the Corporation, (b) any proposed nominee for election as a director of the Corporation, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

7. VOTING SECURITIES AND PRINCIPAL HOLDERS

As at the date hereof, the Corporation had 9,819,117 Common Shares outstanding, representing the Corporation's only securities with respect to which a voting right may be exercised at the Meeting. Each Common Share carries the right to one vote at the Meeting. A quorum for the transaction of business at the Meeting is two shareholders, or one or more proxyholders representing two shareholders, or one shareholder and a proxyholder representing another shareholder, holding or representing not less than five percent (5%) of the issued and outstanding Common Shares enjoying voting rights at the Meeting.

The record date to determine a shareholders eligibility to receive the Notice of Meeting and vote at the Meeting was fixed at February 6, 2020 (the "Record Date").

To the knowledge of the directors and senior officers of the Corporation as at the date hereof, based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR), no person or corporation beneficially owned, directly or indirectly, or exercised control or discretion over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, other than the following:

Name	Number of Common Shares	Percentage of Common Shares ⁽¹⁾
Joshua Kornberg	1,277,502	13.0%
Samuel Herschkowitz ⁽²⁾	2,452,946	25.0%
Blair Lawrence Naughty	1,382,000	14.1%

Notes:

- (1) Calculated on partially diluted basis.
- (2) Of the 2,452,946 Common Shares, Dr. Herschkowitz is the registered and beneficial holder of 2,084,351 Common Shares (and stock options exercisable for 368,595 Common Shares).

8. BUSINESS OF THE MEETING

To the knowledge of the directors of the Corporation, the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

(i) Financial Statements

Pursuant to the *Business Corporations Act* (Ontario) (the "OBCA"), the directors of the Corporation will place before the shareholders at the Meeting the audited financial statements of the Corporation for the years ended September 30, 2019, 2018, 2017 and 2016 and the auditor's reports thereon. Shareholder approval is not required in relation to the financial statements.

(ii) Election of Directors

The board of directors of the Corporation presently consists of four directors. All of the current directors have been directors since the dates indicated below and all will be standing for re-election. The board of directors recommends that shareholders vote **FOR** the election of the four nominees of management listed in the following table.

Each director will hold office until his reelection or replacement at the next annual meeting of the shareholders unless he resigns his duties or his office becomes vacant following his death, dismissal or any other cause prior to such meeting.

Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted for the election of the proposed nominees. **If any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion.**

Nominees to the Board of Directors

Name and Residence	Position and Office	Principal Occupation ⁽¹⁾	Served as Director Since	Number of Common Shares over which Control or Direction is Exercised ⁽¹⁾
James Greig ⁽²⁾⁽³⁾ Vancouver, British Columbia	Chief Executive Officer and Director	President of Benchmark Metals Inc.	January 22, 2020	Nil
Toby Pierce ⁽²⁾⁽⁴⁾ Vancouver, British Columbia	Director	Chief Executive Officer of Tag Oil Ltd.	January 22, 2020	Nil
Joshua Kornberg ⁽²⁾ Toronto, Ontario	Director	Chief Executive Officer of RAH Health Care	December 17, 2013	1,277,502
Robbie Grossman Toronto, Ontario	Corporate Secretary and Director	Corporate finance and securities partner at DLA Piper (Canada) LLP	September 7, 2012	258,477 ⁽⁵⁾

Notes:

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee.
- (3) In addition, Mr. Greig, who has not previously been elected to the present term of office by a vote of securityholders at a meeting, has had the following principal occupations, businesses or employment within the five preceding years: Chief Executive Officer of Benchmark Metals Inc. from February 2013 to March 2018; Chief Financial Officer of Crest Petroleum Corp. from September 2014 to April 2015; and a director of several reporting issuers.
- (4) In addition, Mr. Pierce, who has not previously been elected to the present term of office by a vote of securityholders at a meeting, has had the following principal occupations, businesses or employment within the five preceding years: Managing Director of Burnt Ridge Advisory from February 2012 to May 2015; and a director of several reporting issuers.
- (5) Of the 258,477 Common Shares, Mr. Grossman is the registered and beneficial holder of 100,000 Common Shares (and stock options exercisable for 158,477 Common Shares).

Corporate Cease Trade Orders or Bankruptcies

None of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) 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 (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than Robbie Grossman, who was the Assistant Secretary of RedWater Energy Corp. until May 2015 which was subject to a court ordered receiver in May 2015, and a bankruptcy order on October 28, 2015, none of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of the proposed directors of the Corporation 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.

Personal Bankruptcies

None of the proposed directors of the Corporation has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

(iii) Appointment of Auditor

In accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”), the Corporation changed its auditors from MNP LLP to DNTW Toronto LLP effective December 18, 2018. Pursuant to subsection 4.11(5)(c) of NI 51-102 a

copy of the “reporting package” is attached hereto as Schedule “A”. As indicated in the notice contained in the “reporting package”, there are no reportable disagreements between the Corporation and MNP LLP.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the reappointment of DNTW Toronto LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors of the Corporation to fix their remuneration.

The directors of the Corporation recommend that shareholders vote in favour of the appointment of DNTW Toronto LLP, and the authorization of the directors of the Corporation to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

(iv) Stock Option Plan

On June 6, 2016, shareholders of the Corporation approved an amended and restated stock option plan (the “**2016 Rolling Option Plan**”), and on July 20, 2016, the board of directors of the Corporation adopted a new 20% fixed number stock option plan (the “**2016 Fixed Option Plan**”), for the Corporation reserving 1,735,252 (20% of the issued and outstanding Common Shares on such date) Common Shares for issuance. As announced on July 25, 2016, the 2016 Fixed Option Plan and the 998,061 stock options (the “**2016 Grants**”) granted under the 2016 Fixed Option Plan were subject to shareholder approval at a subsequent shareholders’ meeting. Pursuant to section 3.9(f) of Policy 4.4 – *Incentive Stock Options* (“**Policy 4.4**”) of the TSX Venture Exchange (the “**Exchange**”), in the event the 2016 Fixed Option Plan and 2016 Grants were not approved by shareholders within 12 months, the 2016 Fixed Option Plan and 2016 Grants would be terminated and the Corporation would revert back to the 2016 Rolling Option Plan.

Under section 2.9(b) of Policy 4.4 all rolling stock option plans, such as the 2016 Rolling Option Plan, must receive shareholder approval yearly, at the Corporation’s annual shareholders meeting.

Accordingly, at the Meeting, shareholders will be asked to pass a resolution approving an amended and restated stock option plan (the “**2020 Option Plan**”), a copy of the comparison between the 2020 Option Plan compared to the 2016 Rolling Option Plan is attached hereto as Schedule “B”. The minimum exercise price of options is being set at Market Price (as such term is defined in the 2020 Option Plan), as opposed to Discounted Market Price (as such term is defined in the 2016 Rolling Option Plan), and certain non-material administrative changes have been made to the 2020 Option Plan.

At the Meeting, shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

“BE IT RESOLVED THAT:

- (1) the amended and restated stock option plan of the Corporation, substantially in the form attached at Schedule “B” to the Information Circular of the Corporation dated February 10, 2020, be and the same is hereby ratified, confirmed and approved as the stock option plan of the Corporation;
- (2) any director or officer be and is hereby authorized to amend the stock option plan of the Corporation should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and
- (3) any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the 2020 Option Plan. The directors of the Corporation recommend that shareholders vote in favour of the approval of the 2020 Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

(v) Share Consolidation

The directors of the Corporation believe that establishing a higher market price for the Common Shares will increase investment interest by the equity capital markets in the Common Shares by broadening the pool of investors that may consider investing in the Corporation, including investors whose internal investment policies prohibit or discourage them from purchasing stocks trading below a certain minimum price.

The Corporation is seeking shareholder approval for a consolidation of its presently issued Common Shares on the basis of one (1) post-consolidation Common Share for up to five (5) pre-consolidation Common Shares (the “**Consolidation**”), as may be approved by the directors of the Corporation and the Exchange. The consolidation of Common Shares will affect all present shareholders alike and will affect all holders of securities convertible into Common Shares alike. More particularly, the share consolidation will affect those persons holding any convertible securities, such as share purchase warrants or stock options. The directors of the Corporation strongly urge that the shareholders approve the Consolidation.

If the special resolution regarding Consolidation is approved, all registered shareholders will receive a Letter of Transmittal so they may exchange certificates representing their Common Shares for certificates of the correct denomination representing the post-consolidation Common Shares.

Where the Consolidation results in a fractional share, any resulting fractional share that is less than one-half of a share will be cancelled and each resulting fractional share that is at least one-half of a share will be changed to one whole post-consolidation Common Share. Implementation of the share consolidation does not have an effect on the actual or intrinsic value of the business of the Corporation or on a shareholder’s proportional ownership in the Corporation.

Accordingly, at the Meeting, shareholders are being asked to consider and, if thought advisable, approve a special resolution in the following form:

“BE IT RESOLVED THAT:

- (1) all of the issued and outstanding common shares of the Corporation be consolidated on the basis of one (1) new common share for every five (5) old common shares, or such lower ratio as the directors may determine;
- (2) the board of directors is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the above resolution without further approval, ratification or confirmation by the shareholders; and
- (3) any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the Consolidation. The directors of the Corporation recommend that shareholders vote in favour of the approval of the Consolidation. To be adopted, this special resolution is required to be passed by the affirmative vote of two-thirds (66⅔%) of the votes cast at the Meeting.

9. CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Corporation’s current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”):

Board of Directors

The directors have determined that Toby Pierce, a current and prospective member of the board of directors of the Corporation, is independent as such term is defined in NI 58-101.

The directors have determined that James Greig (Chief Executive Officer), a current and prospective member of the board of directors of the Corporation, is not independent as such term is defined in NI 58-101, as he is an executive officer (as such term is defined in NI 51-102) of the Corporation.

The directors have determined that Joshua Kornberg, a current and prospective member of the board of directors of the Corporation, is not independent as such term is defined in NI 58-101, as he was an executive officer (as such term is defined in NI 51-102) of the Corporation within the last three years, terminating on January 22, 2020.

The directors have determined that Robbie Grossman, a current and prospective member of the board of directors of the Corporation, is not independent as such term is defined in NI 58-101, as he is a partner of DLA Piper (Canada) LLP, which provides legal services to the Corporation.

Directorships

The following directors and prospective directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
Toby Pierce	Barrian Mining Corp.
	Benchmark Metals Inc.
	DelphX Capital Markets Inc.
	Seashore Resource Partners Corp.
	Tag Oil Ltd.
James Greig	Benchmark Metals Inc.
	Camino Minerals Corporation
	Cluny Capital Corp.
	Cortus Metals Inc.
	Duro Metals Inc.

Orientation and Continuing Education

While the Corporation does not currently have a formal orientation and education program for new members of the board of directors, the Corporation provides such orientation and education on an ad hoc and informal basis. The directors believe that these procedures are a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, the number, experience and expertise of its directors.

Ethical Business Conduct

The directors' maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Corporation's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the OBCA.

Nomination of Directors

Both the directors and management are responsible for selecting nominees for election to the board of directors. At present, there is no formal process established to identify new candidates for nomination. The board of directors and management determine the requirements for skills and experience needed on the board of directors from time to time. The present board of directors and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, support for the Corporation's business objectives and a willingness to serve.

Compensation

The directors carry out the evaluation of the Chief Executive Officer and develop the appropriate compensation policies for both the employees of the Corporation and the directors of the Corporation.

To determine appropriate compensation levels, the directors review compensation paid for directors and Chief Executive Officers of companies of similar size and stage of development in the asset management industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation. In setting compensation levels, the directors annually review the performance of the Chief Executive Officer in light of the Corporation's objectives and consider other factors that may have impacted the success of the Corporation in achieving its objectives. The directors may engage independent compensation advice in order to fulfill its mandate.

Until January 22, 2020 when the Management Agreement (as defined below) was terminated, management of the Corporation was managed by the Manager (as defined below). Although no fees or compensation was paid directly to Dr. Samuel Herschkowitz,

the Chief Executive Officer of the Corporation until his resignation on January 22, 2020, as a result of his role as Chief Executive Officer of the Corporation, he was entitled to indirectly receive management fees and, if applicable, performance fees payable to the Manager by the Corporation pursuant to the Management Agreement.

Assessments

The directors' believe that nomination to the Corporation's board of directors is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the board of directors.

10. AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

Audit Committee Charter

The Corporation's Audit Committee is governed by an audit committee charter, a copy of which is attached hereto as Schedule “C”.

Composition of Audit Committee

The Corporation's Audit Committee is comprised of three (3) directors, Toby Pierce, James Greig and Joshua Kornberg. Each member of the audit committee is financially literate, as such term is defined in NI 52-110, and one of the members, Toby Pierce, is independent, as such term is defined in NI 52-110, and two of the members, Toby Pierce and Joshua Kornberg, are independent, as such term is defined in the OBCA.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each audit committee member relevant to the performance of his responsibilities as an audit committee member is as follows:

Toby Pierce

Mr. Toby Pierce holds a Masters in Business Administration from the Rotman School of Business and a Bachelors of Science degree in Earth Sciences from the University of Victoria and is currently Chief Executive Officer and director of TAG Oil Ltd. Mr. Pierce has 21 years of geological and financial understanding within the resource sector. He was Chief Executive Officer and director of Crest Petroleum Corp. and formerly a Partner & Senior Oil Equity Analyst with GMP Securities and Tristone Capital in London, England. Over his ten years in the finance industry he has acquired extensive experience in mergers and acquisitions, initial public offerings, fundraisings, equity and asset valuations and investment advice.

James Greig

Mr. James Greig holds a Masters in Business Administration from the University of Calgary and a Bachelors of Arts (Geography) from Carleton University. Mr. Greig is currently engaged with several publicly-listed mineral exploration companies as a consultant. Mr. Greig served as Chief Financial Officer and a director of Crest Petroleum Corp. and as a member of the audit committee. Mr. Greig served at Keegan Resources Inc. as part of the mine development team advancing the 5 million ounce Esaase Gold Project in West Africa. With 21 years in the resource sector, he brings comprehensive experience in exploration, development and mineral production. Selected engagements within the resource sector include the Hunter-Dickinson Group, Kennecott Canada, Breakwater Resources Ltd., McIntosh Engineering and Stantec Engineering.

Joshua Kornberg

Mr. Joshua Kornberg holds a Masters in Business Administration from the Schulich School of Business and a Bachelors of Arts from the University of Western Ontario. Mr. Kornberg is currently the Chief Executive Officer of RAH Health Care. Mr. Kornberg was a director (including acting as the Interim Chairman) and Chief Executive Officer and President of Skyline Medical Inc., a Nasdaq listed company, from 2012 to 2016. Mr. Kornberg is President and founding partner of Atlantic Partners Alliance, LLC, a private equity fund based in New York. Prior to founding Atlantic Partners Alliance, LLC, Mr. Kornberg served as Chief Investment Officer of The Lightstone Group, a national private equity firm and Director of the Lightstone Value Plus REIT, a public company

focused on commercial real estate. Mr. Kornberg worked in the capital markets group at Morgan Stanley Canada Limited and also served as Vice President at The RREEF Funds, a global pension fund advisor.

External Auditor Matters

Since the commencement of the Corporation's most recently completed financial year, the Corporation's directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 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. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

In the following table, "Audit fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation'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 or review of the Corporation'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 fees paid by the Corporation to its auditor in its previous four financial year-ends, by category, are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
September 30, 2019	6,500 (est.)	Nil	1,000	Nil
September 30, 2018	6,500	Nil	1,000	Nil
September 30, 2017	15,000	Nil	3,000	350
September 30, 2016	15,000	Nil	3,000	350

Exemptions:

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

11. EXECUTIVE COMPENSATION

Securities legislation requires the disclosure of the compensation received by each "Named Executive Officer" ("Named Executive Officer") of the Corporation for the most recently completed financial year. "Named Executive Officer" is defined by the legislation to mean: (i) the Chief Executive Officer of the Corporation; (ii) the Chief Financial Officer of the Corporation; (iii) each of the Corporation's three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

Compensation Discussion and Analysis

During the financial years ended September 30, 2019, 2018, 2017 and 2016, the Corporation's executive compensation program was administered by the board of directors of the Corporation. The Corporation's executive compensation program has the objective of attracting and retaining a qualified and cohesive group of executives, motivating team performance and the aligning of the interests of executives with the interests of the Corporation's shareholders through a package of compensation that is simple and easy to understand and implement. Compensation under the program was designed to achieve both current and longer term goals of the Corporation and to optimize returns to shareholders. In addition, in order to further align the interests of executives with the interests of the Corporation's shareholders, the Corporation has implemented share ownership incentives through incentive stock options. The Corporation's overall compensation objectives are in line with its peer group of asset management companies with opportunities to participate in equity.

In determining the total compensation of any member of senior management, the directors of the Corporation consider all elements of compensation in total rather than one element in isolation. The directors of the Corporation also examine the competitive positioning of total compensation and the mix of fixed, incentive and share-based compensation.

External Management

The Corporation entered into a management agreement made as of September 25, 2014 (the “**Management Agreement**”) with Prospect Park Management Limited Partnership (the “**Manager**”) whereby the Manager was appointed the manager of the Corporation to provide management, investment, valuation and administrative services and facilities to the Corporation and was responsible for the day-to-day operations of the Corporation. In accordance with the Management Agreement, management fees and, if applicable, performance fees were payable by the Corporation to the Manager. The Manager was responsible to administer, on behalf of and for the account of the Corporation, the activities of the Corporation in connection with the direct or indirect acquisition, administration and management of assets of the Corporation.

The Manager is a limited partnership formed under the laws of the Province of Ontario pursuant to a limited partnership agreement dated March 19, 2014 between Prospect Park Management Inc., the general partner of the Manager, and Joshua Kornberg, a director of the Corporation, and Dr. Samuel Herschkowitz, an officer and director of the Corporation until January 22, 2020, as limited partners.

Pursuant to the Management Agreement, the Manager had the right to nominate at least two members of the board of directors of the Corporation.

On January 22, 2020, the Corporation and the Manager mutually agreed to terminate the Management Agreement. Accordingly, the current senior officers of the Corporation, under the supervision of the board of directors of the Corporation, resumed management of the day-to-day operations of the Corporation.

Base Salary

While there is no official set of benchmarks that the Corporation relies on and there is not a defined list of issuers that the Corporation uses as a benchmark, the Corporation makes itself aware of, and is cognisant of, how comparable issuers in its business compensate their executives. The Corporation’s peer group in connection with salary compensation consists of a sampling of other asset management companies both private and ones that are reporting issuers in one or more Provinces of Canada. The Chief Executive Officer reviews and updates the directors on the peer group and other informal channels and compares the salaries offered by the Corporation against those of the peer group generally to ensure the Corporation’s salary compensation is within the range of expected annual base salary for the group.

Bonus Framework

While the directors of the Corporation believe that a well-balanced executive compensation program must simultaneously motivate and reward participants to deliver financial results while maintaining focus on long-term goals that track financial progress and value creation, during the financial years since the financial year ended September 30, 2015, the Corporation did not have in place an annual team bonus or discretionary individual bonus plan and the Corporation did not pay any bonuses.

In accordance with the Management Agreement, if applicable, performance fees were payable by the Corporation to the Manager. The Manager was entitled to receive in respect of each fiscal year of the Corporation, a performance fee (the “**Performance Fee**”) equal to 20% of the net appreciation in the net asset value of the Corporation calculated as of the last day of such fiscal year in excess of the net asset value of the Corporation calculated as of the last day of the previous fiscal year, less any taxes payable by the Corporation in respect of the Performance Fee. For the financial years ended September 30, 2019, 2018, 2017 and 2016, no Performance Fee was earned.

Perquisites and Personal Benefits

While the Corporation reimburses its Named Executive Officer’s for expenses incurred in the course of performing their duties as executive officers of the Corporation, the Corporation did not provide any compensation that would be considered a perquisite or personal benefit to its Named Executive Officers.

Independent Director Compensation

The directors of the Corporation believe in compensating the independent directors of the Corporation, but as of the date hereof, other than ad hoc payments made to one independent director as disclosed herein, the directors have not approved any such formal compensation plan. The directors of the Corporation are eligible to receive incentive stock options to purchase Common Shares.

Option-Based Awards

An important part of the Corporation’s compensation program is to offer the opportunity and incentive for executives and staff to own shares of the Corporation. The directors of the Corporation believe that ownership of the Corporation’s shares will align the interests of executives and future staff with the interests of the Corporation’s shareholders.

Incentive stock options are not granted on a regular schedule but rather as the compensation is reviewed by the directors of the Corporation from time to time with input from the Chief Executive Officer. When reviewing incentive stock option grants, consideration is given to the total compensation package of the executives and staff and a weighting of appropriate incentives groupings at the senior, mid and junior levels of the staff including past grants. At the time of any incentive stock option grant, consideration is also be given to the available incentive stock option pool remaining for new positions being contemplated by the Corporation.

The stock option plan currently in place and effective for the issuance of incentive stock options by the Corporation is the 2016 Rolling Option Plan. Pursuant to the 2016 Rolling Option Plan the board of directors of the Corporation may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers and employees of the Corporation as well as Management Company Employees and Consultants (as such terms are defined in Policy 4.4 as amended from time to time), non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10%, exercisable for a period of up to ten (10) years from the date of the grant. The number of Common Shares reserved for issuance to any individual director or officer of the Corporation will not exceed 5% of the issued and outstanding Common Shares (2% in the case of optionees providing investor relations services to the Corporation) unless disinterested shareholder approval is obtained. The exercise price of any option granted pursuant to the 2016 Rolling Option Plan shall be determined by the board of directors when granted, but shall not be less than the Discounted Market Price (as such term is defined in Policy 4.4 as amended from time to time). Options granted pursuant to the 2016 Rolling Option Plan are non-assignable, except by means of a will or pursuant to the laws of descent and distribution.

The options may be exercised no later than 12 months following the date the optionee ceases to be a director, officer or consultant of the Corporation, subject to the expiry date of such option. However, if the employment of an employee or consultant is terminated for cause no option held by such optionee may be exercised following the date upon which termination occurred.

At the Meeting, shareholders are being asked to approve the 2020 Option Plan. See “Item 8 – Business of the Meeting – Stock Option Plan”.

Summary Compensation Table for Named Executive Officers

The following table sets forth information concerning the total compensation paid to the Named Executive Officers of the Corporation for financial years ended September 30, 2019, 2018, 2017 and 2016:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Samuel Herschkowitz <i>former CEO</i> ⁽²⁾	2019	Nil	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2018	Nil	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	Nil	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	Nil	N/A	7,585 ⁽¹⁾	N/A	N/A	N/A	N/A	7,585
Kyle Appleby <i>CFO</i> ⁽³⁾	2019	Nil	N/A	N/A	N/A	N/A	N/A	27,120	27,120
	2018	Nil	N/A	N/A	N/A	N/A	N/A	27,120	27,120
	2017	Nil	N/A	N/A	N/A	N/A	N/A	27,120	27,120
	2016	Nil	N/A	2,795 ⁽¹⁾	N/A	N/A	N/A	27,120	29,915

Notes:

- (1) Calculated at the date of the grant using the Black-Scholes options pricing model with the following assumptions: Risk free interest rate of 1.12%; Dividend yield of NIL; Expected stock price volatility of 174%; Option life of 10 years. These options are deemed to have terminated on July 20, 2017. See "Item 8 – Business of the Meeting – Stock Option Plan".
- (2) Dr. Herschkowitz resigned as Chief Executive Officer of the Corporation on January 22, 2020.
- (3) Compensation to Mr. Appleby has been charged as consulting fees pursuant to a consulting agreement with CFO Advantage Inc. (a Corporation owned by Mr. Appleby). As at September 30, 2019, \$91,220 is included in accounts payable and accrued liabilities of the Corporation.

Incentive Plan Awards*Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all awards outstanding for the Named Executive Officers as of September 30, 2019, 2018, 2017 and 2016:

Name	Year	Option-Based Awards				Share-Based Awards	
		Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Samuel Herschkowitz	2019	368,595	0.20	March 28, 2023	Nil	N/A	N/A
	2018	368,595	0.20	March 28, 2023	Nil	N/A	N/A
	2017	368,595	0.20	March 28, 2023	Nil	N/A	N/A
	2016	368,595 189,632 ⁽²⁾	0.20 0.05	March 28, 2023 July 20, 2026	Nil	N/A	N/A
Kyle Appleby	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	69,864 ⁽²⁾	0.05	July 20, 2026	Nil	N/A	N/A

Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the Exchange on the last day the Common Shares traded prior to the end of the financial year.
- (2) These options are deemed to have terminated on July 20, 2017. See "Item 8 – Business of the Meeting – Stock Option Plan".

Incentive Plan Awards – Value Vested or Earned During the Year

No incentive plan awards vested or were earned for the Named Executive Officers during the financial years ended September 30, 2019, 2018 and 2017.

The following table sets forth the value of all incentive plan awards vested or earned for the Named Executive Officers during the financial year ended September 30, 2016:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Samuel Herschkowitz	Nil	N/A	N/A
Kyle Appleby	Nil	N/A	N/A

Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options on the date they vest and the closing price of the Common Shares on the TSXV on such date, or in the event such date is not a trading date, the closing price on the next trading date.

Pension Plan Benefits

The Corporation has not implemented a pension plan.

Termination and Change of Control Benefits

Other than as disclosed below, as at the end of the financial years ended September 30, 2019, 2018, 2017 and 2016 the Corporation had not entered into any contract, agreement, plan or arrangement that provides for payments to an Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an Named Executive Officer's responsibilities.

The Management Agreement (terminated on January 22, 2020) entitled the Manager to a termination fee equal to the average annual compensation of the Manager during the three previous completed fiscal years of the Corporation ended prior to the date of termination which fees shall be paid annually for a period of the earlier of (i) two years from the date of the termination, and (ii) the unexpired remainder of the term. Pursuant to the Management Agreement, the Manager could terminate the agreement, in its sole discretion, upon an acquisition of control of at least 50% of the voting securities of the Corporation.

On January 22, 2020, the Corporation and the Manager mutually agreed to terminate the Management Agreement and agreed to release each other from and against any and all claims, rights or interests, both in law and in equity, that either party may have arising out of or in connection with the Management Agreement as of January 22, 2020, including without limitation any claim for breach of the Management Agreement which may have occurred prior to January 22, 2020.

Director Compensation

No cash compensation was paid to the directors of the Corporation in their capacity as directors during the financial years ended September 30, 2019, 2018, 2017 and 2016. The directors of the Corporation are eligible to receive incentive stock options to purchase Common Shares pursuant to the terms of the 2016 Rolling Option Plan.

Director Compensation Table for Directors (other than the Named Executive Officers)

None of the directors of the Corporation (other than the Named Executive Officers, whose disclosure with respect to compensation is set out above) received any compensation from the Corporation for the financial years ended September 30, 2019, 2018 and 2017.

The following table sets forth all compensation provided to each of the directors of the Corporation (other than the Named Executive Officers, whose disclosure with respect to compensation is set out above) for the financial year ended September 30, 2016:

Name	Year	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Seymour Fein	2016	Nil	N/A	9,581	N/A	N/A	Nil	Nil
Jeffrey Barnes	2016	Nil	N/A	4,791	N/A	N/A	Nil	Nil
Joshua Kornberg	2016	Nil	N/A	7,585	N/A	N/A	Nil	Nil
Robbie Grossman	2016	Nil	N/A	7,585	N/A	N/A	Nil	Nil
Frank Mancuso Jr.	2016	Nil	N/A	N/A	N/A	N/A	Nil	Nil

Notes:

- (1) Calculated at the date of the grant using the Black-Scholes options pricing model with the following assumptions: Risk free interest rate of 1.12%; Dividend yield of NIL; Expected stock price volatility of 174%; Option life of 10 years. These options are deemed to have terminated on July 20, 2017. See "Item 8 – Business of the Meeting – Stock Option Plan".

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding for each of the directors of the Corporation (other than the Named Executive Officers, whose disclosure with respect to incentive plan awards is set out above) as of September 30, 2019, 2018, 2017 and 2016:

Name	Year	Option-Based Awards				Share-Based Awards	
		Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Jeffrey Barnes	2019	71,149	0.20	March 28, 2023	Nil	N/A	N/A
	2018	71,149	0.20	March 28, 2023	Nil	N/A	N/A
	2017	71,149	0.20	March 28, 2023	Nil	N/A	N/A
	2016	71,149 119,767 ⁽³⁾	0.20 0.05	March 28, 2023 July 20, 2026	Nil	N/A	N/A
Joshua Kornberg	2019	Nil	N/A	N/A	N/A	N/A	N/A
	2018	Nil	N/A	N/A	N/A	N/A	N/A
	2017	Nil	N/A	N/A	N/A	N/A	N/A
	2016	189,632 ⁽³⁾	0.05	July 20, 2026	Nil	N/A	N/A
Robbie Grossman	2019	158,480	0.20	March 28, 2023	Nil	N/A	N/A
	2018	158,480	0.20	March 28, 2023	Nil	N/A	N/A
	2017	158,480	0.20	March 28, 2023	Nil	N/A	N/A
	2016	158,480 189,632 ⁽³⁾	0.20 0.05	March 28, 2023 July 20, 2026	Nil	N/A	N/A
Seymour Fein	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	239,534 ⁽³⁾	0.05	July 20, 2026	Nil	N/A	N/A
Frank Mancuso Jr. ⁽²⁾	2016	138,967	0.20	March 28, 2023	Nil	N/A	N/A

Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the Exchange on the last day the Common Shares traded prior to the end of the financial year.
- (2) Mr. Mancuso Jr. resigned as a director of the Corporation on April 6, 2016.
- (3) These options are deemed to have terminated on July 20, 2017. See “Item 8 – Business of the Meeting – Stock Option Plan”.

Incentive Plan Awards – Value Vested or Earned During the Year

No incentive plan awards vested or were earned for each director of the Corporation (other than the Named Executive Officers, whose disclosure with respect to incentive plan awards is set out above) during the financial years ended September 30, 2019, 2018 and 2017.

The following table sets forth the value of all incentive plan awards vested or earned for each director of the Corporation (other than the Named Executive Officers, whose disclosure with respect to incentive plan awards is set out above) during the financial year ended September 30, 2016:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Seymour Fein	Nil	N/A	N/A
Jeffrey Barnes	Nil	N/A	N/A

Joshua Kornberg	Nil	N/A	N/A
Robbie Grossman	Nil	N/A	N/A
Frank Mancuso Jr.	Nil	N/A	N/A

Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options on the date they vest and the closing price of the Common Shares on the TSXV on such date, or in the event such date is not a trading date, the closing price on the next trading date.

12. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of September 30, 2019 regarding the number of Common Shares to be issued pursuant to equity compensation plans of the Corporation and the weighted-average exercise price of said securities:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	598,224	\$0.20	383,687
Equity compensation plans not approved by securityholders	-	-	-
Total	598,224	\$0.20	383,687

The securities referred to in the table above were granted under the 2016 Rolling Option Plan (or its predecessors plans).

13. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, each proposed nominee for election as a director of the Corporation, and each associate of any such director, executive officer or proposed nominee, has been indebted to the Corporation or any of its subsidiaries in respect of loans, advances or guarantees of indebtedness.

14. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as noted below, none of the informed persons (as such term is defined in NI 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Corporation since October 1, 2015 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

The Corporation entered into the Management Agreement with the Manager whereby the Manager was appointed the manager of the Corporation and provides management, investment, valuation and administrative services and facilities to the Corporation and is responsible for the day-to-day operations of the Corporation. In accordance with the Management Agreement, management fees and, if applicable, performance fees are payable by the Corporation to the Manager. The Manager will administer, on behalf of and for the account of the Corporation, the activities of the Corporation in connection with the direct or indirect acquisition, administration and management of assets of the Corporation. Joshua Kornberg (a director of the Corporation) and Dr. Samuel Herschkowitz (a former director and officer of the Corporation) are the limited partners of the Manager and the sole officers, directors and shareholders of the general partner of the Manager. On January 22, 2020, the Corporation and the Manager mutually agreed to terminate the Management Agreement and agreed to release each other from and against any and all claims, rights or interests, both in law and in equity, that either party may have arising out of or in connection with the Management Agreement as of January 22, 2020, including without limitation any claim for breach of the Management Agreement which may have occurred prior to January 22, 2020.

On June 6, 2016, and as approved by the Exchange and disinterested shareholders on June 6, 2016, the Corporation entered into an agreement (the “**SOK Amending Agreement**”) amending the share purchase agreement with SOK Partners LLC, as vendor, and the Corporation, as purchaser, dated August 28, 2014. Pursuant to the SOK Amending Agreement, the final payment due by the Corporation to SOK Partners LLC was amended and SOK was released of any obligations under Article 3 of the SOK Agreement to provide the Corporation with an additional 112,918 common shares of Skyline Medical Inc. as downside protection. The Corporation was related to SOK Partners LLC due to Dr. Samuel Herschkowitz, one of the directors and officers of the Corporation

at the time, and Joshua Kornberg, one of the directors of the Corporation, being the co-managing members and each 50% owners of a private company that was the managing member and sole beneficial owner of SOK Partners LLC. In addition, Joshua Kornberg was a director and officer of Skyline Medical Inc.

On April 27, 2016, the Corporation entered into an amending agreement with Above The Fold, LLC (“ATF”) amending the credit agreement with ATF by extending the maturity date by 12 months. On May 25, 2017, the Corporation entered into another amending agreement with ATF amending the credit agreement with ATF by extending the maturity date to December 31, 2018. The Corporation is related to ATF due to Dr. Samuel Herschkowitz, one of the directors and officers of the Corporation until January 22, 2020, Josh Kornberg, a director of the Corporation, and Mr. Kornberg’s spouse, being shareholders and the managers of ATF.

DLA Piper (Canada) LLP, of which Robbie Grossman has been a partner since February 2018, provided legal services to the Corporation during the financial years ended September 30, 2019 and 2018, and has been providing, and is expected to continue to provide, legal services to the Corporation in the financial year ended September 30, 2020. For the financial year ended September 30, 2019, the Corporation incurred fees of \$5,051 for legal services rendered by DLA Piper (Canada) LLP. McMillan LLP, of which Robbie Grossman was a partner until February 2018, provided legal services to the Corporation during the financial years ended September 2018, 2017 and 2016.

15. MANAGEMENT CONTRACTS

Except as disclosed herein in connection with the Management Agreement, there are no management functions of the Corporation which are to any substantial degree performed by a person or a company other than the directors or executive officers of the Corporation.

16. PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Other than the foregoing, management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

17. ADDITIONAL INFORMATION

Additional information relating to the Corporation, including copies of the Corporation's financial statements and Management's Discussion and Analysis is available on SEDAR at www.sedar.com, copies of which may be obtained from the Corporation upon request. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DATED this 10th day of February, 2020.

BY ORDER OF THE BOARD

(signed) “James Greig”
Chief Executive Officer

SCHEDULE "A"
REPORTING PACKAGE

(see attached)

PROSPECT PARK CAPITAL CORP.

NOTICE OF CHANGE OF AUDITOR

Prospect Park Capital Corp. (the "**Corporation**") hereby provides notice pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**"), the change of auditor from MNP LLP to DNTW Toronto LLP.

On the recommendation of its Audit Committee, the Board of Directors of the Corporation decided to replace the auditor of the Corporation, MNP LLP, with DNTW Toronto LLP. The Corporation will ask that the shareholders of the Corporation to ratify the appointment of DNTW Toronto LLP at the next annual meeting of the shareholders of the Corporation.

MNP LLP did not have any reservations in the auditor's reports for the relevant period (as defined in NI 51-102), and in the Corporation's opinion there have been no reportable events (as defined in NI 51-102) on any of the Corporation's financial statements relating to the relevant period.

Dated as of this 16th day of January, 2019.

PROSPECT PARK CAPITAL CORP.

Per: (signed) "Kyle Appleby"
Kyle Appleby
Chief Financial Officer

December 19, 2018

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Dear Sirs/Mesdames

Re: Notice of Change of Auditor (the “Notice”) – Prospect Park Capital Corp.

We have read the Notice dated December 18, 2018 from Prospect Park Capital Corp. delivered to us in accordance with National Instrument 51-102 and, based on our knowledge of the information at this time, we agree with each statement contained in the Notice.

Yours truly,



Chartered Professional Accountants
Licensed Public Accountants



DNTW Toronto LLP
Chartered Professional Accountants
Licensed Public Accountants

45 Sheppard Avenue East, Suite 703
Toronto, ON M2N 5W9

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December 20, 2018

Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission

Dear Sirs/Mesdames:

Re: Notice of Change of Auditor of Prospect Park Capital Corp. (the "Corporation")

We acknowledge receipt of a Notice of Change of Auditor (the "**Notice**") dated December 18, 2018 delivered to us by the Corporation in respect of the change of auditor of the Corporation.

Pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") of the Canadian Securities Administrators, please accept this letter as confirmation that we have reviewed the Notice and, based on our knowledge as the time of receipt of the Notice, we agree with each of the statements therein.

Yours truly,

DNTW Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants

SCHEDULE "B"

**2020 OPTION PLAN
(and blackline to 2016 Rolling Option Plan)**

(see attached)

**AMENDED AND RESTATED STOCK OPTION PLAN OF
PROSPECT PARK CAPITAL CORP.**

(amending and restating the stock option plan of the Corporation dated June 6, 2016)

(March 11, 2020)

PART 1 - INTRODUCTION

1.01 Purpose

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and, subject to the terms and conditions herein, consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success.

1.02 Definitions

- (a) "Affiliate" has the meaning ascribed thereto in the *Business Corporations Act* (Ontario) as amended from time to time.
- (b) "Associate" has the meaning ascribed to such term in the *Securities Act* (Ontario).
- (c) "Blackout Period" means a period during which the Corporation prohibits Optionees from exercising their Options.
- (d) "Board" means the board of directors of the Corporation.
- (e) "Consultant" has the meaning ascribed to such term in Policy 4.4.
- (f) "Corporation" means Prospect Park Capital Corp., a corporation duly incorporated under the laws of the Province of Ontario, and its Affiliates, if any, and includes any successor or assignee entity or entities into which the Corporation may be merged, changed, or consolidated; any entity for whose securities the securities of the Corporation shall be exchanged; and any assignee of or successor to substantially all of the assets of the Corporation.
- (g) "Market Price" has the meaning ascribed to such term in Policy 1.1.
- (h) "Eligible Person" shall mean an officer or director of the Corporation ("**Executive**") or an employee of the Corporation ("**Employee**") or a Management Company Employee or a Consultant.
- (i) "Exchange" means the TSX Venture Exchange.
- (j) "Exercise Notice" means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate, duly executed by the Optionee.
- (k) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with section 2.03.
- (l) "Insider" means (i) an insider as defined in the *Securities Act* (Ontario), other than a person who falls within the definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an Associate of any person who is an insider by virtue of the preceding sub-clause (i).

- (m) "Investor Relations Activities" has the meaning ascribed to such term in Policy 1.1.
- (n) "Management Company Employee" has the meaning ascribed to such term in Policy 4.4.
- (o) "Material Information" has the meaning ascribed to such term in Policy 1.1.
- (p) "Option" shall mean an option granted under the terms of the Plan.
- (q) "Option Certificate" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option.
- (r) "Option Period" shall mean the period during which an option may be exercised.
- (s) "Optionee" shall mean an Eligible Person to whom an Option has been granted under the terms of the Plan.
- (t) "Outstanding Issue" means the number of Shares outstanding on a non-diluted basis.
- (u) "Plan" means the stock option plan established and operated pursuant to Part 2 hereof.
- (v) "Policy 1.1" means the Exchange's Policy 1.1 entitled "Interpretation" as amended from time to time.
- (w) "Policy 4.4" means the Exchange's Policy 4.4 entitled "Incentive Stock Options" as amended from time to time.
- (x) "Shares" shall mean the common shares of the Corporation.

PART 2 - SHARE OPTION PLAN

2.01 Participation

Options shall be granted only to Eligible Persons.

2.02 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant.

2.03 Price

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be determined from time to time by the Board and shall be as set forth in the Option Certificate issued in respect of such Option but, in any event, shall not be less than the Market Price.

2.04 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized.

In the event that Options are granted to Employees, Management Company Employees or Consultants, the Corporation represents that such Optionees shall be bona fide Employees, Management Company Employees or Consultants, as the case may be.

The Corporation may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with Part 2 hereof including, without limitation, terms and conditions deferring or delaying the date at which an Option may be exercised in whole or in part. Such additional terms and conditions shall be as set forth in the Option Certificate issued in respect of such Option.

Notwithstanding any of the foregoing provisions, the Board may authorize the grant of an Option to a person not then in the employ of the Corporation or of an Affiliate, conditioned upon such person becoming eligible to become an Eligible Person at or prior to the execution of the Option Certificate evidencing the actual grant of such Option.

2.05 Term of Options

Unless otherwise expired pursuant to the terms of the Plan, all Options granted to an Optionee pursuant to this Plan shall expire at the close of business ten (10) years from the date of grant or such earlier date as the Board shall decide when the Option is granted, subject to earlier termination as herein provided.

Upon the expiration of the Option Period, the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

Notwithstanding the foregoing, if the expiration of the Option Period falls within a Blackout Period the expiration of the Option Period shall be automatically extended for ten (10) business days after the expiry of the Blackout Period on the condition that (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (iii) the automatic extension of an Optionee's options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

No Optionee or his or her legal representative, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him, her or them or a securities intermediary with whom the Optionee (or his or her legal representative, legatees or distributees) has an account, is recorded as the owner of such Shares in a book-entry system under the terms of the Plan.

2.06 Exercise of Options

Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise;

- (a) in the case of an Employee, in the employ of the Corporation or any Affiliate and shall have been continuously so employed since the grant of his or her Option, or have been a Consultant of the Corporation during such time thereafter, but absence on leave, having the approval of the Corporation or such Affiliate, shall not be considered an interruption of employment for any purpose of the Plan;
- (b) in the case of a Consultant, under contract with the Corporation or any Affiliate and shall have been continuously so contracted since the grant of the Option; or
- (c) in the case of an Executive, a director or officer of the Corporation or any Affiliate and shall have been such a director or officer continuously since the grant of his or her Option.

No Option may be exercised by an Optionee until the Plan has been approved by the shareholders of the Corporation.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Shares being purchased by 5:00 p.m. (EST) on the last day of the Option Period by delivering to the Corporation an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable

to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

2.07 Vesting of Options

Executives, Employees, Management Company Employees and Consultants

All Options granted to an Eligible Person, other than Optionees performing Investor Relations Activities, pursuant to this Plan shall vest and become fully exercisable as determined by the Board when the Option is granted.

Optionees performing Investor Relations Activities

All Options granted to Optionees performing Investor Relations Activities, pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted, but in any event such Options shall not vest any sooner:

- (a) one quarter (1/4) of the Options on the date which is three (3) months from the date said Options are granted;
- (b) one quarter (1/4) of the Options on the date which is six (6) months from the date said Options are granted;
- (c) one quarter (1/4) of the Options on the date which is nine (9) months from the date said Options are granted; and
- (d) the final one quarter (1/4) of the Options on the date which is twelve (12) months from the date said Options are granted.

2.08 Restrictions on Grant of Options

The granting of Options shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Outstanding Issue may be granted to any one Consultant in any 12 month period;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue may be granted in aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Outstanding Issue may be issued to any one individual in any 12 month period;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issued to Insiders in any 12 month period; and
- (e) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price of Options previously granted to Insiders.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by (i) Insiders to whom options may be granted under the stock option plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

2.09 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

2.10 Effect of Termination of Employment, Death or Disability

- (a) If an Optionee shall die while employed or retained by the Corporation, or while an Executive, any Options held by the Optionee at the date of death, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part, but only by the persons or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution (the "**Successor Optionee**"). All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, except that in the event the expiration of the Option Period is earlier than one (1) year after the date of death, with the consent of the Exchange, the Options shall be exercisable for up to one (1) year after the date of death of the Optionee as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death.
- (b) If the employment or engagement of an Optionee shall terminate with the Corporation due to disability while the Optionee is employed or retained by the Corporation, any Option held by the Optionee on the date the employment or engagement of the Optionee is terminated due to disability, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her termination due to disability and only for one (1) year after the date of termination or prior to the expiration of the Option Period in respect thereof, whichever is sooner, provided that Options that become exercisable due to disability shall only be exercisable by the person or persons who have the legal authority to act on behalf of the Optionee in connection with the rights of the Optionee to the Options. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the employment or engagement of the Optionee is terminated due to disability which have not yet vested shall vest immediately upon such date.
- (c) Subject to section 2.10 (d), if an Optionee ceases to be an Eligible Person (other than as provided in section 2.10 (a) or (b)), any Options held by the Optionee on the date such Optionee ceased to be an Eligible Person, which have vested pursuant to section 2.07, shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date such Optionee ceased to be an Eligible Person and only for ninety (90) days after the date such Optionee ceased to be an Eligible Person, subject to the Board's discretion to extend such period for up to one (1) year, or prior to the expiration of the Option Period in respect thereof, whichever is sooner. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the Optionee ceased to be an Eligible Person which have not yet vested shall vest immediately upon such date.
- (d) If the employment of an Employee or Consultant is terminated for cause (as determined by the Board) no Option held by such Optionee may be exercised following the date upon which Termination occurred.

2.11 Effect of Offer or Sale

If at any time when the Option hereby granted remains unexercised with respect to any Shares, (a) a general offer to purchase all of the issued shares of the Corporation is made by a third party or (b) the Corporation proposes to sell all or substantially all of its assets and undertaking or to merge, amalgamate or be absorbed by or into any other company (save and except for a subsidiary or subsidiaries of the Corporation) under any circumstances which involve or may involve or require the liquidation of the Corporation, a distribution of its assets among its shareholders, or the termination of its corporate existence, the Corporation shall use its reasonable best efforts to provide notice of such offer

or proposal to the Optionee as soon as practicable and (i) the Corporation may, at its option, permit the Option hereby granted to be exercised, as to all or any of the Optioned Shares in respect of which such Option has not previously been exercised by the Optionee at any time up to and including (but not after) a date twenty (20) days following the date of notice of such offer, sale or other similar transaction or prior to the close of business on the expiration date of the Option Period, whichever is the later; and (ii) the Corporation may, at its option, determine that upon the expiration of such twenty (20) day period, all rights to exercise the Option shall terminate and cease to have any further force or effect.

The Corporation may, in its sole discretion and without the consent of Optionees, provide for one or more of the following: (i) the assumption of the Plan and outstanding Options by the surviving entity or its parent; (ii) the substitution by the surviving entity or its parent of Options with substantially the same terms for such outstanding Options; (iii) immediate exercisability of such outstanding Options followed by cancellation of such Options; and (iv) settlement of the intrinsic value of the outstanding vested Options in cash or cash equivalents or equity followed by the cancellation of all Options (whether or not then vested or exercisable).

2.12 Effect of Amalgamation, Consolidation or Merger

If the Corporation amalgamates, consolidates with or merges with or into another corporation, upon the exercise of an Option following such amalgamation, consolidation or merger, the Optionee shall be entitled to receive, and shall accept, in lieu of Shares, the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his Option and held Shares immediately prior to the effective date of such amalgamation, consolidation or merger, and the number of Shares and the option price shall be adjusted appropriately by the directors of the Corporation and such adjustment shall be binding for all purposes herein.

2.13 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Exercise Price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

2.14 Hold Period

All Options and any Shares issued on the exercise of Options may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Options may be subject resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

2.15 Notification of Grant of Option

Following the granting of an Option by the Board, the Corporation shall notify the Optionee in writing of the Option and shall enclose with such notice the Option Certificate representing the Option so granted. Each Optionee, concurrently with the notice of the grant of an Option, shall be provided with a copy of the Plan.

2.16 Disclosure of Personal Information

By acceptance of an Option Certificate representing the grant of an Option, the Optionee is deemed to consent to (a) the disclosure of Personal Information by the Corporation to the Exchange (as defined in Appendix 6A of the Exchange) pursuant to Form 4G *Summary Form – Incentive Stock Options* (“**Form 4G**”) of the Exchange, and (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6A of the Exchange or as otherwise identified by the Exchange, from time to time. “Personal Information” means any information about an identifiable individual, and includes the information contained in the tables, as applicable, found in Form 4G.

2.17 Options Granted To Corporations

Except in relation to a Consultant that is a corporation, Options may only be granted to an individual or a

corporation that is wholly-owned by an Eligible Person. If a corporation is an Optionee, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

PART 3 - GENERAL

3.01 Number of Shares

The aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue.

Any Shares subject to an Option which has been granted under the Plan and which is cancelled or terminated in accordance with the terms of the Plan without being exercised as provided for in this Plan shall again be available under the Plan.

3.02 Transferability

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee, all benefits, rights and options may only be exercised by the Optionee.

3.03 Employment

Nothing contained in any Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Optionee's employment at any time. Participation in any Plan by an Optionee is voluntary.

3.04 Approval of Plan

Options issued under the Plan shall only become exercisable after the Plan has been approved by the shareholders of the Corporation; provided, however:

- (a) unless consistent with the terms contained herein and approved by the Board, nothing contained herein shall in any way affect Options previously granted by the Corporation and currently outstanding;
- (b) the Plan must receive shareholder approval yearly, at the Corporation's annual general meeting.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's option price paid to the Corporation shall be returned to the Optionee.

3.05 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

3.06 Income Taxes

As a condition of and prior to participation in the Plan, if requested by the Board, a Optionee shall authorize the Corporation in written form to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

In addition, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits to the Optionee and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall (i) pay to the Corporation, in addition to the Exercise Price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance, (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance, or (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

3.07 Amendments to the Plan

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendments of the Plan which could result, at any time, in:

- (a) a material increase in the benefits under the Plan; or
- (b) an increase in the number of Shares which would be issued under the Plan (except any increase resulting automatically from an increase in the total Outstanding Issue); or
- (c) a material modification in the requirement as to eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Corporation.

3.08 No Representation or Warranty

The Corporation makes no representation or warranty as the future market value of any Shares issued in accordance with the provisions of the Plan.

3.09 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

3.10 Compliance with Applicable Law, etc.

If any provision of the Plan or of any Option Certificate delivered pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

SCHEDULE "A"

**PROSPECT PARK CAPITAL CORP.
STOCK OPTION PLAN**

If issued to officers or directors - WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND A DAY FROM THE GRANT DATE].

PROSPECT PARK CAPITAL CORP.

**STOCK OPTION PLAN
OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Prospect Park Capital Corp. (the "**Corporation**") stock option plan (the "**Plan**") and evidences that _____ is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to _____ common shares (the "**Shares**") in the capital stock of the Corporation at a purchase price of CAD\$ _____ per Share (the "**Exercise Price**").

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is _____;
- (b) the Option expires at 5:00 p.m. (EST) on _____; and
- (c) the Options shall vest as follows:

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (EST) on the expiration date of the Option Period by delivering to the Corporation an Exercise Notice, in the form attached as Appendix "I" hereto, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions and may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. The Options hereby granted are subject to the approval of the Exchange.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this ____ day of _____, _____.

PROSPECT PARK CAPITAL CORP.

Per:

Authorized Signatory

APPENDIX "I"
PROSPECT PARK CAPITAL CORP.

STOCK OPTION PLAN
EXERCISE NOTICE

TO: PROSPECT PARK CAPITAL CORP. (the "Corporation")

1. The undersigned (the "**Optionee**"), being the holder of options to purchase _____ common shares of the Corporation at the exercise price of _____ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for _____ of such common shares of the Corporation.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the Optionee to be mailed to the Optionee at the following address:

3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Optionee is resident in _____ [name of province].

5. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the TSX Venture Exchange and applicable securities laws.

DATED the _____ day of _____, _____.

Signature of Optionee

AMENDED AND RESTATED STOCK OPTION PLAN OF

PROSPECT PARK CAPITAL CORP.

~~(approved by shareholders on~~ amending and restating the stock option plan of the Corporation dated June 6, 2016)

(March 11, 2020)

PART 1 - INTRODUCTION

1.01 Purpose

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and, subject to the terms and conditions herein, consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success.

~~1.02~~ **1.02 Definitions**

- (a) "Affiliate" has the meaning ascribed thereto in the *Business Corporations Act* (Ontario) as amended from time to time.
- (b) "Associate" has the meaning ascribed to such term in the *Securities Act* (Ontario).
- (c) ~~(b)~~ "Blackout Period" means a period during which the Corporation prohibits Optionees from exercising their Options.
- (d) ~~(e)~~ "Board" means the board of directors of the Corporation.
- (e) ~~(d)~~ "Consultant" has the meaning ascribed to such term in Policy 4.4.
- (f) ~~(e)~~ "Corporation" means Prospect Park Capital Corp., a corporation duly incorporated under the laws of the Province of Ontario, and its Affiliates, if any, and includes any successor or assignee entity or entities into which the Corporation may be merged, changed, or consolidated; any entity for whose securities the securities of the Corporation shall be exchanged; and any assignee of or successor to substantially all of the assets of the Corporation.
- (g) ~~(f)~~ "Discounted Market Price" has the meaning ascribed to such term in Policy 1.1.
- (h) ~~(g)~~ "Eligible Person" shall mean an officer or director of the Corporation ("**Executive**") or an employee of the Corporation ("**Employee**") or a Management Company Employee or a Consultant.
- (i) ~~(h)~~ "Exchange" means the TSX Venture Exchange.
- (j) ~~(i)~~ "Exercise Notice" means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate, duly executed by the Optionee.
- (k) ~~(j)~~ "Exercise Price" means the price at which an Option may be exercised as determined in accordance with section 2.03.
- (l) ~~(k)~~ "Insider" means (i) an insider as defined in the *Securities Act* (Ontario), other than a person who falls within the definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an ~~assoeiate~~ Associate of any person who is an insider by virtue of the preceding sub-clause (i).

- (m) ~~(+)~~ "Investor Relations Activities" has the meaning ascribed to such term in Policy 1.1.
- (n) ~~(+)~~ "Management Company Employee" has the meaning ascribed to such term in Policy 4.4.
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- (t) ~~(+)~~ "Outstanding Issue" means the number of Shares outstanding on a non-diluted basis.
- (u) ~~(+)~~ "Plan" means the stock option plan established and operated pursuant to Part 2 hereof.
- (v) ~~(+)~~ "Policy 1.1" means the Exchange's Policy 1.1 entitled "Interpretation" as amended from time to time.
- (w) ~~(+)~~ "Policy 4.4" means the Exchange's Policy 4.4 entitled "Incentive Stock Options" as amended from time to time.
- (x) ~~(+)~~ "Shares" shall mean the common shares of the Corporation.

PART 2 - SHARE OPTION PLAN

2.01 Participation

Options shall be granted only to Eligible Persons.

2.02 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant.

2.03 Price

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be determined from time to time by the Board and shall be as set forth in the Option Certificate issued in respect of such Option but, in any event, shall not be less than the ~~Discounted~~ Market Price.

2.04 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized.

In the event that Options are granted to Employees, Management Company Employees or Consultants, the Corporation represents that such Optionees shall be bona fide Employees, Management Company Employees or Consultants, as the case may be.

The Corporation may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with Part 2 hereof including, without limitation, terms and conditions deferring or delaying the date at which an Option may be exercised in whole or in part. Such additional terms and conditions shall be as set forth in the Option Certificate issued in respect of such Option.

Notwithstanding any of the foregoing provisions, the Board may authorize the grant of an Option to a person not then in the employ of the Corporation or of an Affiliate, conditioned upon such person becoming eligible to become an Eligible Person at or prior to the execution of the Option Certificate evidencing the actual grant of such Option.

2.05 Term of Options

Unless otherwise expired pursuant to the terms of the Plan, all Options granted to an Optionee pursuant to this Plan shall expire at the close of business ten (10) years from the date of grant, or such earlier date as the Board shall decide when the Option is granted, subject to earlier termination as herein provided.

Upon the expiration of the Option Period, the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

Notwithstanding the foregoing, if the expiration of the Option Period falls within a Blackout Period the expiration of the Option Period shall be automatically extended for ten (10) business days after the expiry of the Blackout Period on the condition that (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (iii) the automatic extension of an Optionee's options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

No Optionee or his or her legal representative, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him, her or them or a securities intermediary with whom the Optionee (or his or her legal representative, legatees or distributees) has an account, is recorded as the owner of such Shares in a book-entry system under the terms of the Plan.

2.06 Exercise of Options

Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise;

- (a) in the case of an Employee, in the employ of the Corporation or any Affiliate and shall have been continuously so employed since the grant of his or her Option, or have been a Consultant of the Corporation during such time thereafter, but absence on leave, having the approval of the Corporation or such Affiliate, shall not be considered an interruption of employment for any purpose of the Plan;
- (b) in the case of a Consultant, under contract with the Corporation or any Affiliate and shall have been continuously so contracted since the grant of the Option; or
- (c) in the case of an Executive, a director or officer of the Corporation or any Affiliate and shall have been such a director or officer continuously since the grant of his or her Option.

No Option may be exercised by an Optionee until the Plan has been approved by the shareholders of the Corporation.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Shares being purchased by 5:00 p.m. (EST) on the last day of the Option Period by delivering

to the Corporation an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

2.07 Vesting of Options

Executives, Employees, Management Company Employees and Consultants

All Options granted to an ~~Executive, Employee, Management Company Employee or Consultant~~ Eligible Person, other than Optionees performing Investor Relations Activities, pursuant to this Plan shall vest and become fully exercisable as determined by the Board when the Option is granted.

Optionees performing Investor Relations Activities

All Options granted to Optionees performing Investor Relations Activities, pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted, but in any event such Options shall not vest any sooner:

- (a) one quarter (1/4) of the Options on the date which is three (3) months from the date said Options are granted;
- (b) one quarter (1/4) of the Options on the date which is six (6) months from the date said Options are granted;
- (c) one quarter (1/4) of the Options on the date which is nine (9) months from the date said Options are granted; and
- (d) the final one quarter (1/4) of the Options on the date which is twelve (12) months from the date said Options are granted.

2.08 Restrictions on Grant of Options

The granting of Options shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Outstanding Issue may be granted to any one Consultant in any 12 month period;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue may be granted in aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Outstanding Issue may be issued to any one individual in any 12 month period;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issued to Insiders in any 12 month period; and
- (e) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price of Options previously granted to Insiders.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by (i) Insiders to whom options may be granted under the stock option plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

2.09 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

2.10 Effect of Termination of Employment, Death or Disability

- (a) If an Optionee shall die while employed or retained by the Corporation ~~or its Affiliate~~, or while an Executive, any Options held by the Optionee at the date of death, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part, but only by the persons or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution (the "**Successor Optionee**"). ~~Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death.~~ All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, except that in the event the expiration of the Option Period is earlier than one (1) year after the date of death, with the consent of the Exchange, the Options shall be exercisable for up to one (1) year after the date of death of the Optionee as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death.
- (b) If the employment or engagement of an Optionee shall terminate with the Corporation due to disability while the Optionee is employed or retained by the Corporation ~~or its Affiliate~~, any Option held by the Optionee on the date the employment or engagement of the Optionee is terminated due to disability, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part. ~~Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee on the date the employment of the Optionee is terminated due to disability which have not yet vested shall vest immediately upon such date.~~ All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her termination due to disability and only for one (1) year after the date of termination or prior to the expiration of the Option Period in respect thereof, whichever is sooner, provided that Options that become exercisable due to disability shall only be exercisable by the person or persons who have the legal authority to act on behalf of the Optionee in connection with the rights of the Optionee to the ~~Option~~Options. ~~Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the employment or engagement of the Optionee is terminated due to disability which have not yet vested shall vest immediately upon such date.~~
- (c) Subject to section 2.10 (d), ~~Options granted to any~~ if an Optionee ~~must expire not later than one (1)-year following~~ ceases to be an Eligible Person (other than as provided in section 2.10 (a) or (b)), any Options held by the Optionee on the date ~~the~~ such Optionee ~~ceases~~ ceases to be an ~~Executive, Employee, Consultant or Management Company Employee~~ Eligible Person, which have vested pursuant to section 2.07, shall be ~~determined by the Board~~ exercisable only to the extent that the Optionee was entitled to exercise the Option at the ~~time of each grant or on the~~ date such Optionee ceases to be an Eligible Person and only for ninety (90) days after the date such Optionee ~~ceases~~ ceases to be an ~~Executive, Employee, Consultant~~ Eligible Person, subject to the Board's discretion to extend such period for up to one (1) year, or ~~Management Company Employee~~ prior to the expiration of the Option Period in respect thereof, whichever is sooner. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the Optionee ~~ceases~~ ceases to be an ~~Executive, Employee, Consultant or Management Company Employee~~ Eligible Person which have not yet vested shall vest immediately upon such date.
- (d) If the employment of an Employee or Consultant is terminated for cause (as determined by the Board) no Option held by such Optionee may be exercised following the date upon which

Termination occurred.

2.11 Effect of Offer or Sale

If at any time when the Option hereby granted remains unexercised with respect to any Shares, (a) a general offer to purchase all of the issued shares of the Corporation is made by a third party or (b) the Corporation proposes to sell all or substantially all of its assets and undertaking or to merge, amalgamate or be absorbed by or into any other company (save and except for a subsidiary or subsidiaries of the Corporation) under any circumstances which involve or may involve or require the liquidation of the Corporation, a distribution of its assets among its shareholders, or the termination of its corporate existence, the Corporation shall use its reasonable best efforts to provide notice of such offer or proposal to the Optionee as soon as practicable and (i) the Corporation may, at its option, permit the Option hereby granted to be exercised, as to all or any of the Optioned Shares in respect of which such Option has not previously been exercised by the Optionee at any time up to and including (but not after) a date twenty (20) days following the date of notice of such offer, sale or other similar transaction or prior to the close of business on the expiration date of the Option Period, whichever is the later; and (ii) the Corporation may, at its option, determine that upon the expiration of such twenty (20) day period, all rights to exercise the Option shall terminate and cease to have any further force or effect.

The Corporation may, in its sole discretion and without the consent of Optionees, provide for one or more of the following: (i) the assumption of the Plan and outstanding Options by the surviving entity or its parent; (ii) the substitution by the surviving entity or its parent of Options with substantially the same terms for such outstanding Options; (iii) immediate exercisability of such outstanding Options followed by cancellation of such Options; and (iv) settlement of the intrinsic value of the outstanding vested Options in cash or cash equivalents or equity followed by the cancellation of all Options (whether or not then vested or exercisable).

2.12 Effect of Amalgamation, Consolidation or Merger

If the Corporation amalgamates, consolidates with or merges with or into another corporation, upon the exercise of an Option following such amalgamation, consolidation or merger, the Optionee shall be entitled to receive, and shall accept, in lieu of Shares, the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his Option and held Shares immediately prior to the effective date of such amalgamation, consolidation or merger, and the number of Shares and the option price shall be adjusted appropriately by the directors of the Corporation and such adjustment shall be binding for all purposes herein.

2.13 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Exercise Price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

2.14 Hold Period

All Options and any Shares issued on the exercise of Options may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Options may be subject resale restrictions contained in National Instrument 45-102 ~~=~~ Resale of Securities which would apply to the first trade of the Shares.

2.15 Notification of Grant of Option

Following the granting of an Option by the Board, the Corporation shall notify the Optionee in writing of the Option and shall enclose with such notice the Option Certificate representing the Option so granted. Each Optionee, concurrently with the notice of the grant of an Option, shall be provided with a copy of the Plan.

2.16 Disclosure of Personal Information

By acceptance of an Option Certificate representing the grant of an Option, the Optionee is deemed to consent to (a) the disclosure of Personal Information by the Corporation to the Exchange (as defined in Appendix 6A of the Exchange) pursuant to Form 4G Summary Form – Incentive Stock Options (“Form 4G”) of the Exchange, and (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6A of the Exchange or as otherwise identified by the Exchange, from time to time. “Personal Information” means any information about an identifiable individual, and includes the information contained in the tables, as applicable, found in Form 4G.

2.17 Options Granted To Corporations

Except in relation to a Consultant that is a corporation, Options may only be granted to an individual or a corporation that is wholly-owned by an Eligible Person. If a corporation is an Optionee, it must provide the Exchange with a completed Form 4F ~~– Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option~~. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

PART 3 - GENERAL

3.01 Number of Shares

The aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue.

Any Shares subject to an Option which has been granted under the Plan and which is cancelled or terminated in accordance with the terms of the Plan without being exercised as provided for in this Plan shall again be available under the Plan.

3.02 Transferability

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee, all benefits, rights and options may only be exercised by the Optionee.

3.03 Employment

Nothing contained in any Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Optionee's employment at any time. Participation in any Plan by an Optionee is voluntary.

3.04 Approval of Plan

Options issued under the Plan shall only become exercisable after the Plan has been approved by the shareholders of the Corporation; provided, however:

- (a) unless consistent with the terms contained herein and approved by the Board, nothing contained herein shall in any way affect Options previously granted by the Corporation and currently outstanding;
- (b) the Plan must receive shareholder approval yearly, at the Corporation's annual general meeting.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for

trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's option price paid to the Corporation shall be returned to the Optionee.

3.05 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

3.06 Income Taxes

As a condition of and prior to participation in the Plan, if requested by the Board, a Optionee shall authorize the Corporation in written form to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

In addition, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits to the Optionee and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall (i) pay to the Corporation, in addition to the Exercise Price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance, (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance, or (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

3.07 Amendments to the Plan

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendments of the Plan which could result, at any time, in:

- (a) a material increase in the benefits under the Plan; or
- (b) an increase in the number of Shares which would be issued under the Plan (except any increase resulting automatically from an increase in the total Outstanding Issue); or
- (c) a material modification in the requirement as to eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Corporation.

3.08 No Representation or Warranty

The Corporation makes no representation or warranty as the future market value of any Shares issued in accordance with the provisions of the Plan.

3.09 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

3.10 Compliance with Applicable Law, etc.

If any provision of the Plan or of any Option Certificate delivered pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

SCHEDULE "A"

PROSPECT PARK CAPITAL CORP.,
STOCK OPTION PLAN

~~If issued to officers or directors or at a discount to the Market Price~~ - WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND A DAY FROM THE GRANT DATE].

PROSPECT PARK CAPITAL CORP.,
STOCK OPTION PLAN
OPTION CERTIFICATE

~~(Canadian Optionees)~~

This Certificate is issued pursuant to the provisions of the Prospect Park Capital Corp. (the "Corporation") stock option plan (the "Plan") and evidences that _____ is the holder (the "Optionee") of an option (the "Option") to purchase up to _____ common shares (the "Shares") in the capital stock of the Corporation at a purchase price of CAD\$ _____ per Share (the "Exercise Price").

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is ~~_____, 20__~~;
- (b) the Option expires at 5:00 p.m. (EST) on ~~_____, 20__~~; and
- (c) the Options shall vest as follows:

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (EST) on the expiration date of the Option Period by delivering to the Corporation an Exercise Notice, in the form attached [as Appendix "I" hereto](#), together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions and may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. The Options hereby granted are subject to the approval of the Exchange.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this ____ day of _____, ~~20~~_____.

PROSPECT PARK CAPITAL CORP.

Per:

Authorized Signatory

APPENDIX "A1"
PROSPECT PARK CAPITAL CORP.,

STOCK OPTION PLAN
EXERCISE NOTICE

TO: PROSPECT PARK CAPITAL CORP. (the "Corporation")

1. The undersigned (the "Optionee"), being the holder of options to purchase _____ common shares of the Corporation at the exercise price of _____ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for _____ of such common shares of the Corporation.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the Optionee to be mailed to the Optionee at the following address:

3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Optionee is resident in ~~Canada~~ _____ [name of province].

5. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the TSX Venture Exchange and applicable securities laws.

DATED the _____ day of _____, _____.

Signature of ~~Option Holder~~ Optionee

SCHEDULE "C"

AUDIT COMMITTEE CHARTER

(see attached)

PROSPECT PARK CAPITAL CORP.
(the “Company”)

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

I. PURPOSE

The Audit Committee is a committee of the board of directors (the “**Board**”) of the Company. The function of the Audit Committee is to assist the Board in fulfilling its responsibilities to the shareholders of the Company, the securities regulatory authorities and stock exchanges, the investment community and others by:

- (a) reviewing the annual and interim (quarterly) financial statements, related management discussion and analysis (“**MD&A**”) and, where applicable, other financial information disclosed by the Company to any governmental body or the public, prior to its approval by the Board;
- (b) overseeing the review of interim (quarterly) financial statements and/or MD&A by the Company’s external auditor;
- (c) recommending the appointment and compensation of the Company’s external auditor, overseeing the external auditor’s qualifications and independence and providing an open avenue of communication among the external auditor, financial and senior management and the Board;
- (d) directly overseeing the work of the external auditor on the audit of annual financial statements; and
- (e) monitoring the Company’s financial reporting process and internal controls and compliance with legal and regulatory requirements related thereto.

The Audit Committee should primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles (“**GAAP**”), to conduct investigations, or to assure compliance with laws and regulations or the Company’s internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor.

II. COMPOSITION

1. The Audit Committee shall have a minimum of three members.
2. Every Audit Committee member must be a director of the Company. The Audit Committee shall be comprised of such directors as are determined by the Board, each of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. Pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”) the majority of the Audit Committee members must not be officers, nor employees of the Company or any of its affiliates.
3. All members of the Audit Committee must have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices and otherwise be financially literate within the meaning of NI 52-110 (or exempt therefrom). Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

4. The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Audit Committee members shall hold office until the next annual meeting of shareholders subsequent to their appointment.
5. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.
6. The Secretary of the Audit Committee will be appointed by the Chair.
7. Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee on ceasing to be a Director. The Board may fill vacancies on the Audit Committee by election from among the directors on the Board. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains.

III. DUTIES AND RESPONSIBILITIES

1. The Audit Committee shall review and recommend to the Board for approval:
 - (a) the Company's annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor, and review related MD&A;
 - (b) press releases of the Company that contain financial information;
 - (c) other financial information provided to any governmental body, stock exchange or the public as they see fit
 - (d) documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or interim financial results (e.g., prospectuses, press releases with financial results and Annual Information Form – when applicable) prior to their release; and
 - (e) any other matter not mentioned herein but otherwise required pursuant to applicable laws, including, without limitation, NI 52-110 and the OBCA.
2. The Audit Committee, in fulfilling its mandate, will:
 - (a) satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws;
 - (b) review with management relationships with regulators, and the accuracy and timeliness of filing with regulatory authorities (when and if applicable);
 - (c) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
 - (d) recommend to the Board the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor;
 - (e) review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant;
 - (f) review the annual audit plans of the internal and external auditors of the Company;
 - (g) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

- (h) monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion or disagreements between management and the external auditor;
 - (i) periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper;
 - (j) arrange for the external auditor to be available to the Audit Committee and the full Board as needed. Ensure that the auditors communicate directly with the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible;
 - (k) ensure that the external auditors are prohibited from providing non-audit services and approve any permissible non-audit engagements of the external auditors, in accordance with applicable legislation;
 - (l) review with management and the external auditor the Company's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results;
 - (m) review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements;
 - (n) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
 - (o) review the expenses of the Chairman and President of the Company annually;
 - (p) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters and the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters; and
 - (q) perform such other duties as required by the Company's incorporating statute and applicable securities legislation and policies, including, without limitation, NI 52-110 and the OBCA.
3. The Audit Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties, and may set and pay the compensation of such counsel and advisors. The Audit Committee may communicate directly with the Company's internal and external counsel and advisors.

IV. MEETING PROCEDURES

1. The Audit Committee shall meet at such times and places as the Audit Committee may determine, but no less than four times per year. The Audit Committee should meet within forty-five (45) days (sixty (60) days in the event the Company is a "venture issuer" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*)) following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and shall meet within ninety (90) days (one hundred and twenty (120) days in the event the Company is a "venture issuer") following the end of the financial year end to review and discuss the audited financial results for the preceding year and the related MD&A as well as any accompanying press release, or in both cases, by

such earlier times as may be required in order to comply with applicable law or any stock exchange regulation.

2. Members of the Audit Committee shall be provided with reasonable notice of the time and place of meetings, which shall be not less than twenty-four (24) hours. The notice period may be waived by all members of the Audit Committee. Each of the Chairman of the Board, the external auditor, the Chief Executive Officer or the Chief Financial Officer shall be entitled to request that any member of the Audit Committee call a meeting.
3. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and the external auditor of the Company, and others as they consider appropriate. The external auditor may, at its option, attend meetings of the Audit Committee.
4. In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Company's interim financial statements.
5. Meetings of the Audit Committee may be conducted with members in attendance in person, by telephone or by video conference facilities.
6. Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.
7. A resolution in writing signed by all the members of the Audit Committee is valid as if it had been passed at a meeting of the Audit Committee.
8. The Audit Committee shall ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the Company.