



ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED MAY 31, 2021

DATED AS OF JANUARY 10, 2022

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PRELIMINARY NOTES

In this Annual Information Form (“AIF”), Aduro Clean Technologies Inc. is referred to as the “Company” or “Aduro”. All information in this AIF is as of May 31, 2021, unless otherwise indicated. For additional information and details, readers are referred to the audited consolidated financial statements for the year ended May 31, 2021 and notes that follow, as well as the accompanying annual Management's Discussion and Analysis (“MD&A”), which are available on the Canadian Securities Administrator's SEDAR System at www.sedar.com.

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Aduro cautions readers regarding forward-looking statements found in this document and in any other statement made by, or on the behalf of the Company. Statements contained in this AIF that are not historical facts are “forward-looking information” or “forward-looking statements” (collectively, “**Forward-Looking Information**”) within the meaning of applicable Canadian securities laws.

Forward-Looking Information includes, but is not limited to, disclosure regarding possible events, conditions or financial performance that is based on estimates and assumptions about future economic conditions and courses of action. The words “believes”, “expects”, “intends”, “projects” and “anticipates”, and other similar expressions, commonly identify such Forward-Looking Information.

Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. In this AIF, Forward-Looking Information includes, but is not limited to, the Company’s limited operating history upon which an evaluation of the Company and its prospects can be based; the Company’s ability to generate profits; the Company’s ability to manage growth; the adverse effect of competitors on the Company’s operation, strategies and profitability; the Company’s ability to successfully develop, protect and commercialize its technology; the operational risks against which the Company may not be insured against or for which insurance is not available; the impact of negative cash flows on the Company’s operations and how, if the Company is unable to obtain further financing, the Company’s business operations may fail; the impact of strong market fluctuation that can negatively affect the pricing of commodities such as biofuels or crude oils; the impact of government regulations that can negatively affect economic justifications and or models; other risks described in this AIF and described from time to time in our documents filed with Canadian securities regulatory authorities; and the impact COVID-19 has on the Company’s ability to raise capital, successfully develop, and commercialize its technology.

Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this AIF to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The Forward-Looking Information in this AIF is based on management’s beliefs, estimates and opinions and is given only as of the date of this AIF, and is subject to a variety of risks, uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the Forward-Looking Information. Persons reading this AIF are cautioned that statements containing Forward-Looking Information are only predictions, and that the Company’s actual future results or performance are subject to certain risks and uncertainties. See the full list under the heading “*Risk Factors*” in this AIF.

The Forward-Looking Information contained in this AIF is expressly qualified by this cautionary statement. Readers are cautioned not to place undue reliance on Forward-Looking Information.

GLOSSARY OF TERMS

In this AIF, including under “*Preliminary Notes*”, unless otherwise stated, the following capitalized words and terms have the following meanings:

“\$”	means Canadian dollars, unless otherwise specified;
“2018 Escrow Agreement”	means the escrow agreement dated September 27, 2018;
“2021 Escrow Agreement”	means the escrow agreement, in substantially the form of Form 46-201F1, between the Company and certain Aduro Energy Securityholders as required by the policies of the CSE, dated April 23, 2021;
“Aduro” or the “Company”	means Aduro Clean Technologies Inc. which was formerly named Dimension Five Technologies Inc., which is the publicly-traded entity and was incorporated under the BCBCA on January 10, 2018;
“Aduro Discounted Share Price”	means the greater of (on a pre-Consolidated basis): (i) 0.65 times the volume weighted average trading price of the Shares for the five trading days prior to the First Milestone Achievement Date, and (ii) \$0.05;
“Aduro Energy Convertible Notes”	means convertible promissory notes issued by Aduro Energy Inc. which are convertible into Aduro Shares;
“Aduro Energy”	means Aduro Energy Inc.;
“Aduro Energy Intellectual Property”	means the Aduro Energy Licensed Intellectual Property and the Aduro Energy Owned Intellectual Property;
“Aduro Energy Noteholders”	means the holders of Aduro Energy Convertible Notes;
“Aduro Energy Securities”	means the Aduro Energy Shares and Aduro Energy Convertible Notes, and any other securities or other indebtedness of the Aduro convertible into Aduro;
“Aduro Energy Owned Intellectual Property”	means: (a) any item of Intellectual Property solely owned by the Aduro (including the patents and patent applications), and (b) any item of Intellectual Property in which the Aduro has or purports to have a joint or shared ownership interest;
“Aduro Energy Shares”	means the Class A Common Shares, Class B Common Shares and Class A Preference Shares, all without par value, in the capital of the Aduro Energy;
“Aduro Energy Vendors”	means the holders of Aduro Energy Securities immediately prior to the Closing;
“Aduro Financing”	means the non-brokered private placement offering of Shares pursuant to which D5 raised gross proceeds of \$502,222 through the issuance of 10,044,440 (pre-Consolidation) Shares, at price of \$0.05 per Share;
“Aduro Finders Warrants”	means the outstanding share purchase warrants to purchase 54,000 pre-Consolidated Shares at an exercise price of \$0.07 per share (on a pre-Consolidation basis) which warrants expire on September 2, 2022;
“Affiliate”	means with respect to any specified Person at any time, each Person directly or indirectly, through one or more intermediaries, controlling, controlled by, or under direct or indirect common control with, such specified Person at such time;

“Amendment Agreement”	means the agreement dated April 5, 2021 between the Company, AduroEnergy and the Aduro Energy Vendors to amend the terms of the Securities Exchange Agreement to: (1) remove the requirements under the First Milestone Protection Plan and the Second Milestone Protection Plan, including the condition requiring entry into the Restricted Stock Agreement in accordance with the First Milestone Protection Plan and the Second Milestone Protection Plan; (2) remove the requirement of D5 to issue 10,000,000 Options to directors, officers and consultants of D5 on Closing of the Transaction; and (3) added the requirement for D5 to issue an additional 8,440,087 (2,813,357 post consolidation) Consideration Warrants on the Closing as part of the Consideration Securities to be issued for the Purchase Price;
“Associate”	has the meaning ascribed to it in the <i>Securities Act</i> (British Columbia), as amended;
“Audit Committee”	means the audit committee of the Company;
“BCBCA”	means the Business Corporations Act (British Columbia), as amended from time to time and including any regulations promulgated thereunder;
“BCSC”	means the British Columbia Securities Commission;
“Board”	means the board of directors of the Company;
“Bridge Loan”	means the bridge loan in the principal amount of \$500,000 advanced to the Aduro Energy by the Company prior to the Closing, of which \$50,000 was advanced under the First Promissory Note, \$50,000 was advanced under the Second Promissory Note, \$15,000 was advanced under the Third Promissory Note, \$15,000 was advanced under the Fourth Promissory Note, \$20,000 was advanced under the Fifth Promissory Note, \$250,000 was advanced under the Sixth Promissory Note and \$100,000 was advanced under the Seventh Promissory Note, which funds are secured by the General Security Agreement, and which at Closing was deemed to be an inter-company loan between the Company and its subsidiary, Aduro Energy;
“Business Day”	means a day, other than a Saturday or a Sunday, on which banks are generally open for business in the city of Sarnia, Ontario, Canada;
“CEO”	means an individual who acted as the Company’s chief executive officer, or acted in a similar capacity, for any part of the most recently completed financial year;
“CFO”	means an individual who acted as the Company’s chief financial officer, or acted in a similar capacity, for any part of the most recently completed financial year;
“Class A Special Warrants”	means special warrants of the Company which are convertible for no additional consideration into Company Shares on a one-for-one basis upon the later of (i) the achievement of the First Milestone, and (ii) distribution by the Special Warrant Trustee in accordance with the terms of the Securities Exchange Agreement, and which shall expire 2 years from the Closing Date if the First Milestone is not achieved within 2 years from the Closing Date;
“Class B Special Warrants”	means special warrants of the Company which are convertible for no additional consideration into Company Shares on a one-for-one basis upon the later of (i) the achievement of the Second Milestone, and (ii) distribution by the Special Warrant Trustee in accordance with the terms of the Securities Exchange Agreement, and which shall expire 4 years from the Closing Date if the Second Milestone is not achieved within 4 years from the Closing Date;
“Closing”	means the closing of the Transaction, which occurred on April 23, 2021;
“Closing Date”	means the date of the Closing, being April 23, 2021;

“Common Share” or “Share”	means a common share without par value in the share capital of Aduro;
“Computershare”	means Aduro’s registrar and transfer agent, Computershare Investor Services Inc.;
“Consideration Shares”	the Purchaser Shares to be issued to the Aduro Energy Vendors at the Closing as part of the Purchase Price, and “Consideration Share” means any one of them;
“Consideration Warrants”	means the 2,813,357 non-transferable common share purchase warrants of the Company, included in the Consideration Securities comprising the Purchase Price, exercisable at a price of \$0.50 per Share on a post-Consolidation basis for a period of 48 months from the date of Closing, subject to an acceleration provision;
“Consolidation”	means the three (3) for one (1) consolidation of the Company’s capital which was completed on closing of the Transaction on April 23, 2021;
“CSE” or “Exchange”	means the Canadian Securities Exchange;
“CSE Approval”	means the final approval of the CSE in respect of the listing of the common shares of the Company on the CSE, as evidenced by the issuance of the new listing bulletin of the CSE in respect thereof;
“CTO”	means Chief Technical Officer;
“D5”	means Dimension Five Technologies Inc.
“Escrow Agent”	means the Transfer Agent, in its capacity as escrow agent for the Shares held in escrow under the Escrow Agreements;
“Escrow Agreements”	means together, the 2018 Escrow Agreement and the 2021 Escrow Agreement;
“Escrowed Securities”	means the securities of the Company held in escrow by the Escrow Agent pursuant to the Escrow Agreements, as applicable;
“Financing Warrant”	means each non-transferable common share purchase warrant included in each Unit sold in Second Aduro Financing exercisable at a price of \$0.167 each (\$0.50 on a post-Consolidation basis) for a period of 48 months from the date of closing of the Second Aduro Financing on February 4, 2021, subject to an acceleration provision;
“First Financing”	means a financing by the Company at a price of more than \$0.18 per Share by way of issuance of up to 13,888,888 Shares and resulting in gross proceeds received by the Company of at least \$2.5 million (on a pre-Consolidation basis);
“First Milestone”	means within 2 years of the Closing Date, the operation of a Show Room Unit to successfully obtain Product by application of Technology and validation of the same by Professor Paul Charpentier or such other independent third party agreed upon by the Company and Aduro Energy;
“First Milestone Achievement Date”	means the date on which Professor Paul Charpentier or such other independent third party agreed upon by the Company and Aduro Energy delivers its report to the Company validating that the Company has, through the operation of a Show Room Unit, successfully obtain Product by application of Technology;
“First Milestone Protection Plan”	means the protection plan in respect of the First Milestone which is set forth in the Securities Exchange Agreement;
“First Milestone Restricted Shares”	means the outstanding common shares of the Company and/or options to acquire common shares of the Company held by the Zimtu Group representing a total of 9,708,000 pre-Consolidation common shares;
“First Milestone Share	means the date which is three months following the date on which the First Milestone was achieved by the Company, as may be extended pursuant to the

Repurchase Date	Securities Exchange Agreement;
“First Promissory Note”	means the promissory note from Aduro Energy to the Company in respect of the Bridge Loan in the amount of \$50,000 dated August 7, 2020;
“Fifth Promissory Note”	means the promissory note from Aduro Energy to the Company in respect of the Bridge Loan in the amount of \$20,000 dated December 02, 2020;
“Fourth Promissory Note”	means the promissory note from Aduro Energy to the Company in respect of the Bridge Loan in the amount of \$15,000 dated November 18, 2020;
“Forward-Looking Information”	means forward-looking information or forward-looking statements within the meaning of applicable Canadian securities laws;
“General Security Agreement”	means the general security agreement between Aduro Energy and the Company dated August 7, 2020 pursuant to which funds advanced under the Bridge Loan are secured by a security interest in all of Aduro’s Energy current and after acquired property, including the Aduro Energy Intellectual Property;
“Letter of Intent”	means the letter of intent dated July 13, 2020 between the Company and the Aduro Energy in respect of the Transaction;
“Listing”	means the listing of the Company’s Shares on the CSE on April 27, 2021;
“Listing Statement”	means this CSE Form 2A Listing Statement dated effective April 27, 2021;
“MD&A”	means, collectively, the Management’s Discussion and Analysis of the Company dated May 31, 2021 and dated as of September 27 th , 2021;
“Milestones”	means, collectively, the First Milestone and the Second Milestone;
“Name Change”	means the change of D5’s name to “Aduro Energy Inc.” or such other name designated by Aduro Energy which meets the applicable statutory requirements;
“Note Amending Agreements”	means the agreements amending the Aduro Energy Convertible Notes;
“Option Plan”	means the stock option plan of the Company;
“Options”	means options to acquire Shares pursuant to the Option Plan;
“Person”	means a company or individual;
“Principal Vendor”	means Ofer Vicus, the principal shareholder of Aduro Energy and one of the Aduro Energy Vendors;
“Product”	means, lighter petroleum oil obtained by upgrading heavier petroleum feedstocks or components thereof, or deoxygenated hydrocarbons obtained from upgrading renewable oil feedstocks, or liquid hydrocarbons obtained by upgrading of certain plastic or rubber feedstocks, where the upgrading is achieved by means of Technology;
“Promissory Notes”	means the First Promissory Note, Second Promissory Note, Third Promissory Note, Fourth Promissory Note, Fifth Promissory Note, Sixth Promissory Note, and Seventh Promissory Note, and includes any other promissory notes entered into by the Company in connection with the Bridge Loan;
“Purchase Price”	means the Consideration Shares and the Special Warrants to be issued as consideration for the Transaction;
“Qualified First Financing”	means the first financing of at least \$2,500,000 completed by the Company (on a pre-Consolidation basis);
“Qualified Second	means the first financing of at least \$4,500,000 completed by the Company after the

Financing”	Qualified First Financing (on a pre-Consolidation basis);
“Related Person”	has the meaning ascribed to it in CSE Policy 1;
“Reporting Issuer”	has the meaning ascribed to it in the <i>Securities Act</i> (British Columbia), as amended;
“Restricted Stock Agreement”	means an agreement among the Company, Aduro Energy, Zimtu and each member of the Zimtu Group who owns any First Milestone Restricted Shares or Second Milestone Restricted Shares with respect to the securities subject to the First Milestone Protection Plan and the Second Milestone Protection Plan which will provide that Zimtu may choose the mix of shares/options to be purchased for cancellation thereunder;
“Reporting Issuer Board”	means the Purchaser Board following the completion of the Transaction;
“SEDAR”	means the System for Electronic Documents Analysis and Retrieval;
“Second Aduro Financing”	has the meaning ascribed to such term in “2.1 - <i>Three Year History – Financial Year Ended May 31, 2021</i> ”;
“Second Aduro Finders Warrants”	means outstanding share purchase warrants to purchase 227,836 Shares at an exercise price of \$0.10 per share (on a pre-Consolidation basis) expiring on February 4, 2023;
“Second Milestone”	means any one or more of the following within 4 years of Closing (on a pre-Consolidation basis): <ol style="list-style-type: none"> 1. A completed financial transaction with an institution which clearly has the capacity to finance Aduro Energy’s majority owned commercial operation of a manufacturing plant producing Product for commercial sale; 2. Product produced by a manufacturing plant owned in part by Aduro Energy where Aduro Energy’s portion of the plant’s equity is at least \$2,000,000 greater than Aduro Energy’s investment; 3. A third party entering into a licence agreement with Aduro Energy in respect of the Technology which Aduro and such third party estimate will generate at least \$5,000,000 in revenue for Aduro Energy over a three year period; 4. A third party equity investment in the Company of at least \$3,000,000 at a company pre-money valuation of \$40,000,000 or more; 5. The total market capitalization of the Company remaining at or above \$65,000,000 for 19 out of any 20 consecutive trading days; 6. The Company having completed a public offering or private placement raising at least \$4,000,000 at a minimum price per pre-Consolidation Share of \$0.35 (\$1.05 on a post-Consolidation basis), or a combination of grants, \$0.35 pre-Consolidation share offering (\$1.05 on a post-Consolidation basis) and other financing transaction raising at least \$4,000,000; or 7. A third party enters into an agreement to acquire all of the issued and outstanding Company Shares at a minimum value of \$1.00 on a pre-Consolidation basis (\$3.00 on a post-Consolidation basis) per share;

“Second Milestone Achievement Date”	means the date on which the Second Milestone is achieved by the Company;
“Second Milestone Protection Plan”	means the protection plan in respect of the Second Milestone which is set forth the Securities Exchange Agreement;
“Second Milestone Restricted Shares”	means (i) if any of the First Milestone Restricted Shares have been previously purchased for cancellation by the Company, outstanding common shares of the Company and/or options to acquire common shares of the Company held by the Zimtu Group representing a total of 907,150 pre-Consolidation common shares (302,383 post-Consolidation common shares) and (ii) if none of the First Milestone Restricted Shares have not been purchased for cancellation by the Company, outstanding common shares of the Company and/or options to acquire common shares of the Company held by the Zimtu Group representing a total of 6,307,000 pre-Consolidation common shares (2,102,333 post-Consolidation common shares);
“Second Milestone Share Repurchase Date”	means the date which is three months following the date on which the Second Milestone was achieved by the Company, as may be extended;
“Second Promissory Note”	means the promissory note from Aduro Energy to the Company in respect of the Bridge Loan in the amount of \$50,000 dated August. 28, 2020;
“Securities Exchange Agreement”	means the Securities Exchange Agreement dated October 22, 2020 among Aduro Energy, the Aduro Energy Vendors and the Company;
“Show Room Unit”	means a pre-pilot reactor system successfully demonstrating the obtaining of Product by application Technology as validated by an independent third party;
“Sixth Promissory Note”	means the amended promissory note from Aduro Energy to the Company in respect of the Bridge Loan in the amount of amended amount of \$250,000 dated January 4, 2021;
“Seventh Promissory Note”	means the promissory note from Aduro Energy to the Company in respect of the Bridge Loan in the amount of \$100,000 dated March 4, 2021;
“Special Warrants”	means, collectively, the Class A Special Warrants and the Class B Special Warrants to be issued as part of the Purchase Price;
“Special Warrants Formula”	means the conversion formula, as set forth in the Note Amending Agreements, to determine the number of Class A Special Warrants to be issued to each Aduro Noteholder in which the number of Class A Special Warrants shall be equal to the Principal Amount of the Convertible Note plus the amount of accrued but unpaid interest thereon as of the First Milestone Achievement Date, divided by the Aduro Discounted Share Price;
“Special Warrant Trustee”	means Ofer Vicus, the CEO of the Company;
“Stock Option Plan”	means Aduro’s 2018 stock option plan;
“Technology”	means all of the technology owned, licensed, and used by Aduro for its processes and designs in respect of hydrochemolysis applied to obtain Products;
“Third Promissory Note”	means the promissory note from Aduro Energy to the Company in respect of the Bridge Loan in the amount of \$15,000 dated October 26, 2020;
“Transaction”	means, collectively: (a) the acquisition by the Company of all of the issued and outstanding Aduro Energy Shares from the Aduro Energy Vendors; (b) the Name

Change, and (c) all other transactions contemplated by the Securities Exchange Agreement;

- “Transfer Agent”** means Computershare Investor Services Inc., the transfer agent of the Company;
- “Trust Shareholders”** Means Zimtu, David Hodge, Chris Parr and Craig Murata.
- “Unit”** means each unit of the Company issued in the Second Aduro Financing, each Unit consisting of one Share and one Financing Warrant;
- “Voting Trust Agreement”** has the meaning ascribed to such term in “2.1 *Three Year History – Financial Year Ended May 31, 2021*”;
- “Voting Trust Shares”** means all of the common shares of D5 owned by the Trust Shareholders;
- “Warrants”** means Common Share purchase warrants of the Company;
- “Zimtu”** means Zimtu Capital Corp, a British Columbia company and a reporting issuer pursuant to the *Securities Act* (British Columbia);
- “Zimtu Group”** means Zimtu and/or any subsidiaries or affiliates of Zimtu;

1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

The company was incorporated under the BCBCA on January 10, 2018 under the name “Dimension Five Technologies Inc.” (“D5”). On April 23, 2021, on completion of the Transaction, the name was changed to “Aduro Clean Technologies Inc”.

The principal place of business is located at Suite 104, 1086 Modeland Road, Sarnia, Ontario, Canada, N7S 6L2. The registered records office is located at Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC, Canada V6C 2B5 and its telephone number is 604 683-6498.

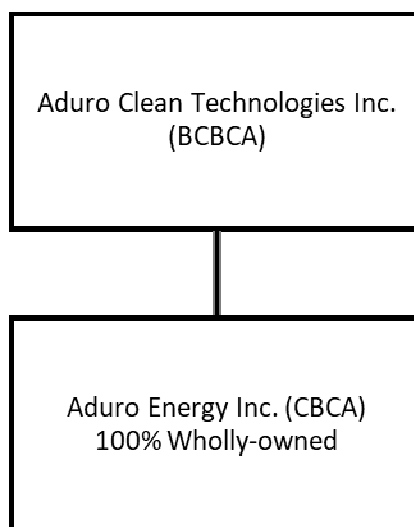
On April 23, 2021, the Company consolidated the issued and outstanding common shares (the “**Common Shares**”) on the basis of one (1) new share for every three (3) old shares (the “**Share Consolidation**”) resulting in a reduction in its issued and outstanding capital to 30,073,489 Common Shares as of April 23, 2021. The Company’s Common Shares reserved under its equity and incentive plans were adjusted to reflect the Share Consolidation. All Common Share and per share data presented in this AIF have been retroactively adjusted to reflect the Share Consolidation unless otherwise noted.

The Company’s common shares are listed on the CSE under the symbol “ACT, OTC Market Group Inc.’s OTCQB Venture Market under the symbol “ACTHF”, and the Frankfurt Exchange in Germany under the symbol “A3CMR8”. Aduro is a reporting issuer in the provinces of British Columbia and Ontario.

1.2 Intercorporate Relationships

The Company has one wholly-owned subsidiary, Aduro Energy. The subsidiary was incorporated on December 15, 2011 under the federal laws of Canada and was acquired by the Company in the Transaction.

The following diagram presents the organizational chart of the Company, as of the date of this AIF:



2. GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a holding company and the Company’s sole investment is in Aduro Energy. Aduro Energy is a developer of a novel chemical conversion process to transform waste plastics and low-grade renewable oils into renewable fuels and specialty chemicals. Aduro Energy believes its green technology is also poised to make bitumen upgrading more environmentally responsible and cost effective.

Originally conceived to radically enhance petroleum processing, Aduro Energy’s patented Hydrochemolytic™ Technology (HCT) leverages the unique properties of water in a chemistry system that transforms materials that have low value due to their undesirable characteristics. The outputs are products and feedstocks whose improved

properties give them higher value, all of which is accomplished at significantly lower cost and environmental impact than alternatives.

The Aduro Energy commercialization thrust features HCT applications that target problems of environmental and economic importance: Hydrochemolytic Plastics Upcycling (HPU); Hydrochemolytic Bitumen Upgrading (HBU); and Hydrochemolytic Renewables Upgrading (HRU).

The principals and founders of Aduro Energy were Ofer Vicus (then and current CEO) and William Marcus Trygstad (then and current CTO), and the impetus for the company formation was the vision to develop hydrothermal upgrading (HTU) technology for upgrading heavy oils. But through R&D efforts of its scientists, Aduro Energy found that HTU also could be applied beneficially in the seemingly unrelated fields of plastic and tire rubber upcycling and renewable oil upgrading. Moreover, discoveries made while pursuing those new uses of the technology provided deeper insights into fundamental chemistry, including that operating in connection with the original work on heavy oil. From that developed the current, versatile Aduro Energy HCT platform, which is covered by six patents and patents pending and is anticipated to be the subject of five academic research papers in 2021. With support from industry partners as early as 2015, pre-pilot demonstration projects have provided validation of HCT in key uses of the technology to support pre-commercial, pilot-scale demonstrations.

2.1 Three Year History

June 1, 2021 to present

On December 2, 2021, the Company announced that the Company's scientists have completed their work in support of the First Milestone and the details of this work have been summarized in a report and submitted for third-party evaluation.

On November 9, 2021, the Company entered into discussions with Switch Energy ("**Switch Energy**"), a recycler and operator participating in Canada's agricultural and industrial film recycling program by owning and operating the largest collection program for agricultural waste in the province of Ontario. The goal of these discussions is to develop a framework whereby the two companies can work together to design, build, install, and operate a pilot plant to process waste polyethylene and other types of waste plastics, such as polypropylene. Switch Energy has over a decade of experience with the collection of agricultural waste, design and development of plastic washing, mechanical shredding, feed systems setup, and product offtake sales and marketing, making it the ideal partner for this pilot plant. Aduro will provide expertise in the HCT process design, including identifying optimal finished product specifications and engagement with the chemical and petrochemicals industry for long-term offtake engagement.

On November 2, 2021, the Company entered into partnership discussions with Brightlands Chemelot Campus ("**Brightlands**"), an international shared innovation community located in Limburg, the Netherlands. The objective of the proposed partnership is to complete an installation that applies HCT to demonstrate, on a tons per day scale, the conversion of polyethylene waste to useful feedstock for chemical processes. Interest in this project by Brightlands is a result of its comprehensive and detailed review of HCT. The review concluded that HCT offers distinct advantages over traditional pyrolysis for bringing polyethylene into the circular economy through chemical recycling to obtain valuable, high-purity products, such as value-added chemicals or feedstock for production of new, virgin polyethylene.

On July 28, 2021, the Company's Common Shares began trading on the Frankfurt Exchange in Germany under the symbol "A3CMR8".

On July 27, 2021, the Company entered into an agreement with Digitonic Limited ("**Digitonic**") to provide marketing and investor relations services. Digitonic, a mobile marketing and investor relations firm based in Glasgow, Scotland, will provide content creation, distribution, and advertising services focused on the North American market. Under the terms of the agreement, Digitonic will provide services to the Company for US\$216,000 in cash for a period of six weeks. The term of service will commence after Aduro announces the successful demonstration of the Company's HCT for upgrading heavy petroleum feedstock to lighter petroleum oil using its continuous-flow pre-pilot reactor to be witnessed and validated by a third party.

On July 20, 2021, the Company's Common Shares began trading on the OTC Market Group Inc.'s OTCQB Venture Market under the symbol "ACTHF".

On June 21, 2021, the Company announced that it has retained Volt Strategic Partners Ltd. as its capital markets and communications advisor and Venture Liquidity Providers Inc. for market-making services. The former is retained to support the Company grow its organizational value and accelerate its market appreciation. The latter intends to buy and sell shares of the Company on the CSE for the purposes of maintaining an orderly trading market and improving liquidity of the Company's shares. The Company will pay Volt Strategic Partners an aggregate amount of \$65,000 over three months for their services. Venture Liquidity Providers will receive \$5000 per month for a period of three months, continuing on a month-to-month basis thereafter. In addition, Venture Liquidity Providers has been granted 50,000 Options, exercisable for a period of two years at market price of \$0.80 per share, which will vest only upon satisfactory completion of the initial three-month term.

Financial Year Ended May 31, 2021

On May 25, 2021, the Company announced that it has appointed National Capital Markets to provide public relations and investor relations services. The Company will pay a monthly fee of \$11,000 for ongoing strategic communication services. The Company also announced that it has granted Options to Park Place Limited entitling them to purchase an aggregate of 200,000 Common Shares of the Company at an exercise price of \$0.76 per Common Share until May 20, 2023.

On May 14, 2021, the Company issued an aggregate of 3,816,869 Units of the Company at a price of \$0.55 per Unit, with each Unit consisting of one Common Shares and one-half of one Warrant, with each Warrant being exercisable to acquire one Common Share at an exercise price of \$0.80 per Common Share for a term of 24 months from the date of issuance following the closing of the private placement. The Warrants are also subject to an acceleration right held by the Company if the Common Shares have a closing price of over \$1.00 per Common Share for a period of ten (10) trading days on the CSE (or such other exchange on which the Common Shares may be traded at such time) for a period of ten (10) consecutive trading days at any time from the date that is four months and one day after the closing of the private placement. All securities issued pursuant to the private placement are subject to applicable resale restrictions, including a four month hold from the date of issuance. The net proceeds from the offering will be used for advancement of commercialization of the Aduro Energy Hydrochemolytic platform, patent management, and general working capital purposes.

On April 30, 2021, the Company granted incentive stock options (the "Options") to certain of its directors, officers, employees and consultants (the "Optionees") entitling the Optionees to purchase an aggregate of 3,549,999 Common Shares of the Company. The Options were granted pursuant to the Company's stock option plan and are exercisable for a period of 10 years ending on April 30, 2031 at an exercise price of \$0.65 per common share, being the closing market price of the Common Shares on the date of grant of the Options.

On April 27, 2021, the Company received the CSE Approval where on March 22, 2021, the Company received the conditional approval of the CSE in connection with the Listing.

On April 23, 2021, the Principal Vendor and the Trust Shareholders entered into the Voting Trust Agreement, pursuant to which the Principal Vendor was granted comprehensive voting rights with respect to all of the common shares of the Company owned by the Trust Shareholders, being an aggregate of 9,833,335 pre-Consolidation Voting Trust Shares, which voting rights shall last until the earliest to occur of (i) the First Milestone Achievement Date and (ii) the date which is six months following the effective date of the voting trust agreement.

In connection with and prior to the Closing of the Transaction, the Company advanced a total of \$500,000 to Aduro Energy under the Bridge Loan pursuant to the Promissory Notes. The Bridge Loan is secured against the Aduro Energy Intellectual Property pursuant to the General Security Agreement. On Closing, the Bridge Loan became an inter-company loan.

In connection with the Closing, the Company changed its name to Aduro Clean Technologies Inc.

Also in connection with the Closing, the Company agreed to cause the Company's board of directors to be reconstituted to consist of four (4) directors, one (1) of which was to be Chris Parr, current director of the

Company, as nominee of the Company, and three (3) of which would be nominees of Aduro Energy, including Ofer Vicus, provided that each nominee for the Board was eligible to serve as a director of the Company under applicable laws and was acceptable to the CSE. However, since there were only three elected directors of the Company on Closing, the Board was reconstituted to consist of only four (4) directors, being the maximum number authorized under applicable corporate laws, one (1) of which was Chris Parr, a nominee of the Company and a current director of Aduro, and three (3) of which were nominees of Aduro Energy, including the Ofer Vicus, William Marcus Trygstad and Peter Kampian.

On Closing, the current officers of Aduro who did not continue as officers of the Company have resigned, without payment or liability to the Company or Aduro Energy. The officers of the Company were reconstituted to consist of Ofer Vicus as CEO, William Marcus Trygstad as CTO, and Donnacha Rahill as CFO and Secretary.

Pursuant to the Securities Exchange Agreement, the Company had also been permitted to grant a total of 10,000,000 per-consolidation Options at Closing with a term of 3 years to the then existing directors, officers and consultants of Aduro, which Options would vest and become exercisable as follows:

- one-third of the Options would vest on Closing and be exercisable at a pre-consolidation price of \$0.10 per share;
- one-third of the Options would vest on closing of the Qualified First Financing with the exercise price of such options being equal to the share or unit price of said Qualified First Financing, and

one-third of the Options would vest on closing of the Qualified Second Financing with the exercise price of such options being equal to the share or unit price of said Qualified Second Financing. However, pursuant to the Amendment Agreement, the Company, Aduro and the Principal Vendor agreed to remove the right of Aduro to issue the Options to the directors, officers and consultants of the Company at Closing.

The Transaction was completed pursuant to available securities law exemptions under applicable legislation. The Closing occurred on April 23, 2021. In connection with the completion of the Transaction, an aggregate of 40,000,000 pre-Consolidation Consideration Shares were issued to the Aduro Energy Vendors at a deemed price of \$0.05 per Consideration Share and 80,000,000 pre-Consolidation Special Warrants, which are divided equally between Class A Special Warrants and Class B Special Warrants, were issued at a deemed price equal to the Aduro Discounted Share Price. The Special Warrants are to be held in trust by the Special Warrant Trustee until distributed to the Aduro Energy Noteholders and Aduro Energy Vendors upon the Company's achievement of the Milestones in the development of the Aduro Energy Business. The actual number of Class A Special Warrants to be distributed by the Special Warrant Trustee to the Aduro Energy Noteholders will be determined by application of the Special Warrants Formula on the First Milestone Achievement Date. The actual number of Class B Special Warrants to be distributed to each Aduro Energy Vendor was determined with reference only to the number of Consideration Shares issued to each Aduro Energy Vendor. Additional information about the distribution of Class A Special Warrants and Class B Special Warrants is provided under "2.2 – Significant Acquisitions". The Special Warrants are convertible for no additional consideration into Company Shares on a one-for-one basis upon the later of (i) the achievement of the First Milestone, in the case of the Class A Special Warrants, or the achievement of the Second Milestone, in the case of the Class B Special Warrants, as applicable, and (ii) the distribution of the Special Warrants by the Special Warrant Trustee.

Immediately following the Closing of the Transaction and pursuant to the terms of the Second Aduro Financing, the Company completed the Consolidation of its issued and outstanding share capital on a ratio of three (3) to one (1).

On April 5, 2021, the Company, Aduro and the Aduro Vendors entered into the Amendment Agreement which (1) removed the requirements under the First Milestone Protection Plan and the Second Milestone Protection Plan, including the condition requiring entry into the Restricted Stock Agreement in accordance with the First Milestone Protection Plan and the Second Milestone Protection Plan, (2) removed the requirement of the Company to grant 10,000,00 pre-consolidation options to directors, officers and consultants of Aduro on Closing and (3) provided for the grant of an additional 8,440,087 pre-consolidation Consideration Warrants to be included in the Consideration Securities to be issued for the Purchase Price.

On February 4, 2021, D5 completed the Second Aduro Financing pursuant to which it issued an aggregate of 16,898,174 pre-Consolidation Units at a price of approximately \$0.083 per pre-Consolidation Unit for gross proceeds of \$1,402,549. Each pre-Consolidation Unit sold in the Second Aduro Financing was comprised of one Share and one non-transferable common share purchase warrant (each, a “**Warrant**”) with each Warrant exercisable at a price of \$0.167 each (\$0.50 on a post-Consolidation basis) for a period of 48 months from the date of closing of the Second Aduro Financing. Expiry of the Warrants sold in the Second Aduro Financing is subject to acceleration in the event that the post-Consolidation Shares have a closing price on the Exchange of \$1.00 or greater per Share for a period of ten (10) consecutive trading days at any time from the date that is four months and one day after the closing of the Second Aduro Financing. In connection with the Second Aduro Financing, the Company paid cash finder's fees of \$18,910.43 and issued 227,836 pre-Consolidation Aduro Finders Warrants, each exercisable into one Share at a price of \$0.10 per Share until February 4, 2023.

Pursuant to the Securities Exchange Agreement, in consideration for the Transaction, at Closing, the Company issued the 40,000,000 Consideration Shares (on a pre-Consolidation basis), pro rata, to the Aduro Energy Vendors at a deemed price of \$0.05 per pre-Consolidation Consideration Share, and issued 80,000,000 Special Warrants (on a pre-Consolidation basis), which are divided equally between Class A Special Warrants and Class B Special Warrants, at a deemed price equal to the Aduro Discounted Share Price. The Special Warrants will be held in trust by the Special Warrant Trustee until distributed to the Aduro Energy Noteholders and Aduro Energy Vendors upon the Company’s achievement of the Milestones in the development of the Aduro Energy Business, as set forth below.

The actual number of Class A Special Warrants to be distributed by the Special Warrant Trustee to the Aduro Energy Noteholders will be determined by application of the Special Warrants Formula on the First Milestone Achievement Date. The actual number of Class B Special Warrants to be distributed to each Aduro Vendor was determined with reference only to the number of Consideration Shares issued to each Aduro Energy Vendor. Related parties may receive up to 22,069,376 Special Warrants of the total of 26,666,656 Special Warrants held in trust on achievement of the Milestones.

The Special Warrants are convertible for no additional consideration into Company Shares on a one-for-one basis upon the later of (i) the achievement of the First Milestone, in the case of the Class A Special Warrants, or the achievement of the Second Milestone, in the case of the Class B Special Warrants, as applicable, and (ii) the distribution of the Special Warrants by the Special Warrant Trustee.

The First Milestone, which must be achieved within 2 years of the Closing, requires the Company to operate a Show Room Unit to successfully demonstrate the obtaining of product, meaning one or more taken from the group consisting of, lighter petroleum oil obtained by upgrading heavier petroleum feedstocks or its components, or deoxygenated hydrocarbons obtained from upgrading renewable oil feedstocks, or liquid hydrocarbons obtained by upgrading of certain plastic or rubber feedstocks (the “**Product**”), by application of the Technology of Aduro Energy. The operation of the Show Room Unit to obtain Product by application of the Technology must be independently validated by Professor Paul Charpentier or such other independent third party agreed upon by the Company and Aduro Energy.

The Second Milestone requires achievement of any one or more of following additional business objectives within 4 years of Closing (on a pre-Consolidation basis):

1. A completed financial transaction with an institution which clearly has the capacity to finance Aduro Energy’s majority owned commercial operation of a manufacturing plant producing Product for commercial sale;
2. Product produced by a manufacturing plant owned in part by Aduro Energy where Aduro Energy’s portion of the plant’s equity is at least \$2,000,000 greater than Aduro Energy’s investment;
3. A third party entering into a license agreement with Aduro Energy in respect of the Technology which Aduro Energy and such third party estimate will generate at least \$5,000,000 in revenue for Aduro Energy over a three year period;

4. A third party equity investment in the Company of at least \$3,000,000 at a company pre-money valuation of \$40,000,000 or more;
5. The total market capitalization of the Company remaining at or above \$65,000,000 for 19 out of any 20 consecutive trading days;
6. The Company having completed a public offering or private placement raising at least \$4,000,000 at a minimum price per share of \$0.35 pre-consolidation, or a combination of grants, \$0.35 share offering pre-consolidation and other financing transaction raising at least \$4,000,000; or
7. A third party enters into an agreement to acquire all of the issued and outstanding Company Shares at a minimum value of \$1.00 per share pre-consolidation.

Under the terms of the Securities Exchange Agreement, a condition to the Closing of the Transaction was that the Company, Aduro Energy, Zimtu and each member of the Zimtu Group who owns First Milestone Restricted Shares or Second Milestone Restricted Shares would enter into the Restricted Stock Agreement with respect to the First Milestone Protection Plan and the Second Milestone Protection Plan. Pursuant to the First Milestone Protection Plan, if within 3 months of completing the First Milestone the Company had not completed the First Financing or completed the First Financing resulting in gross proceeds received by the Company of at least \$2.5 million but which First Financing had occurred at a per share price of less than or equal to \$0.18 per share, then the First Milestone Restricted Shares, held by the Zimtu or the Zimtu Group, would be purchased and cancelled by the Company for an aggregate amount of \$1.00 pre-consolidation, subject to a three month extension for additional closings of the First Financing, and subject to a formula for reduction of the number of First Milestone Restricted Shares to be purchased. However, if the Company determined before a certain date that it did not need to raise additional capital through issuances of securities requiring Zimtu to act as broker or finder, then no First Milestone Restricted Shares would be repurchased.

Pursuant to the Second Milestone Protection Plan, if within 3 months of completing the Second Milestone the Company has not completed the Second Financing or completed the Second Financing resulting in gross proceeds received by the Company of at least \$4.5 million but which Second Financing has occurred at a per share price of less than or equal to \$0.30 per share pre-consolidation, the Second Milestone Restricted Shares will be purchased and cancelled by the Company, subject to a three month extension to close the Second Financing in additional closings, and subject to formula for reduction of the number of Second Milestone Restricted Shares to be purchased. However, if the Company determines before a certain date that it does not need to raise additional capital through issuances of securities requiring Zimtu to act as broker or finder, then no Second Milestone Restricted Shares will be repurchased.

On December 28, 2020, the Company and Aduro Energy entered into an extension agreement, extending the deadline for completion of the Securities Exchange Agreement until March 31, 2021 or such other date as agreed by the parties.

On October 22, 2020, the Company entered into the definitive Securities Exchange Agreement, a copy of which is available under the Company's profile on SEDAR at www.sedar.com, in respect of the acquisition by the Company of all the issued and outstanding Aduro Energy Shares from the Aduro Energy Vendors by way of a share exchange. Upon completion of the Transaction, Aduro Energy became a wholly-owned subsidiary of the Company. For accounting purposes, the Transaction represented a reverse takeover of the Company by Aduro Energy.

On September 2, 2020, the Company completed the Aduro Financing pursuant to which it issued (on a pre-Consolidation basis) an aggregate of 10,044,440 pre-Consolidation Shares at a price of \$0.05 per pre-Consolidation Share for gross proceeds of \$502,222. In connection with the Aduro Financing, the Company paid cash finder's fees of \$2,700 and issued 54,000 pre-Consolidation Aduro Finders Warrants, each exercisable into one Share at a price of \$0.07 per pre-Consolidation Share for a period of two years from date of issuance. Proceeds of the Aduro Financing were used for general working capital and completion of the Transaction with Aduro Energy, including the Bridge Loan.

Pursuant to the Letter of Intent, the Company agreed to advance the Bridge Loan to Aduro Energy. On August 7, 2020, the Company advanced \$50,000 to Aduro Energy under the First Promissory Note and also entered into the General Security Agreement with Aduro Energy which secured the Bridge Loan against the current and after acquired property of Aduro Energy, including the Aduro Energy Intellectual Property. Subsequently, Aduro advanced an additional aggregate amount of \$350,000 under the Bridge Loan pursuant to the Second Promissory Note, Third Promissory Note, Fourth Promissory Note, Fifth Promissory Note, Sixth Promissory Note and Seventh Promissory Note. A total of \$500,000 has been advanced under the Bridge Loan as of April 27, 2021.

On July 13, 2020, the Company entered into the Letter of Intent with Aduro Energy pursuant to which the Company agreed to acquire all of the issued and outstanding Aduro Energy Shares. The Transaction was to be formalized in the definitive Securities Exchange Agreement.

Financial Year Ended May 31, 2020

On April 28, 2020, the Company announced that upon further due diligence and considering current economic conditions it has abandoned the previously announced transaction with Digital Cavalier Technology Services Inc. DBA “Youneeq”.

Dusan Berka resigned as a Director of the Company, effective March 11, 2020.

On January 17, 2020, the Company terminated the Zimtu Development Agreement. Pursuant to the termination agreement, the parties agreed that: (a) all work under the Zimtu Development Agreement in relation to the Zimtu App was completed; (b) no further payment from Zimtu to the Company was required; and (c) that the Company could retain \$50,000 in fees paid by Zimtu to the Company to date. In connection with the termination of the Zimtu Development Agreement, the parties also terminated, effective January 31, 2020: (a) the Zimtu License; and (b) a management services agreement dated March 11, 2018 whereby Zimtu had agreed to provide the Company with administrative and managerial services for a fee of \$5,500 per month plus GST.

The termination agreements were a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as Zimtu is a “control person” of the Company. The termination agreements were exempt from the valuation requirement of MI 61-101 by virtue of the exemptions contained in section 5.5(b) of MI 61-101 as the Company’s common shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 in that the fair market value of the termination agreements did not exceed 25% of the Company’s market capitalization.

On December 11, 2019, the Company entered into a share exchange agreement (the “Youneeq SEA”) with Digital Cavalier Technology Services Inc. doing business as Youneeq (“Youneeq”), an artificial intelligence software developer, to acquire all of the issued and outstanding securities of Youneeq. The Company agreed to acquire Youneeq in exchange for the issuance of an aggregate of 75,000,000 Common Shares on a pro rata basis to the Youneeq shareholders, including Youneeq shareholders to be added under a financing Youneeq agreed to undertake prior to closing.

On September 3, 2019, the Company entered into a non-binding letter of intent with Emergent Waste Solutions Inc. regarding a proposed transaction to acquire all of the issued and outstanding securities of Emergent Waste Solutions Inc. The Company did not proceed with the proposed transaction.

Financial Year Ended May 31, 2019

The Common Shares of the Company were originally approved for listing on February 11, 2019 and commenced trading on the CSE on February 12, 2019.

The Company filed a final long form prospectus and obtained a receipt from the BCSC for its final non-offering prospectus on February 4, 2019.

In order to meet one of the listing requirements of the CSE by becoming reporting issuer, the Company filed a preliminary non-offering prospectus with the British Columbia Securities Commission (“BCSC”) on October 4, 2018.

In accordance with the policies of the CSE, the Company entered into an escrow agreement under National Policy 46-201 (the “**2018 Escrow Agreement**”) with security holders of the Company in connection with the distribution of the Company’s shares under the Prospectus. A total of 14,300,001 (pre-consolidation) Common Shares and 400,000 pre-consolidation Options were held in escrow under the 2018 Escrow Agreement as of the initial listing date of the Common Shares of the Company.

The Company was incorporated on January 10, 2018 under the name “Dimension Five Technologies Inc.” and previously engaged in app and software development related to financial markets.

On November 1, 2018, the Company entered into an agreement where Zimtu agreed that despite its right to terminate the Zimtu Development Agreement with 30 days’ notice Zimtu will not provide 30 days’ notice prior to October 1, 2019.

On September 11, 2018, the Company entered into an app development agreement (the “**Zimtu Development Agreement**”) with Zimtu, whereby Zimtu agreed to pay the Company \$100,000 plus taxes to further develop and market the Zimtu App for its use. The agreement is based on adding certain features including; rebranding, event calendar, and overall improving the look and usability of the Zimtu App. In addition, the agreement is based on marketing of the Zimtu App via social media and other outlets.

On July 27, 2018, the Company completed a non-brokered financing totalling \$105,050 whereby the Company issued 2,101,000 pre-consolidation Common Shares at \$0.05 per share.

On July 6, 2018, the Company completed a non-brokered private placement of 7,377,000 pre-consolidation Common Shares at a price of \$0.05 per Common Share for gross proceeds of \$368,850.

On July 1, 2018, the Company purchased a software application (the “**Zimtu App**”), including the source code, website and other intellectual property rights, from Zimtu for the issuance of 10,000,000 pre-consolidation Common Shares valued at \$0.03 per Common Share for a total value of \$300,000. The Zimtu App was an application developed to provide investors an advantage when following the stock market, including receiving stock alerts and special notifications for listed and cross-listed companies, by automatically providing notification of investment opportunities generated from Zimtu’s stock market algorithms and market data for Zimtu’s registered users.

On July 1, 2018, the Company entered into a license, whereby the Company has granted a nonexclusive, non-transferable, non-sublicensable and revocable app user license to Zimtu (the “**Zimtu License**”). The agreement was for a term of 18 months and was renewable for an additional 18 months, if mutually agreed upon. The Zimtu License could be terminated by Zimtu by providing 30 days’ notice to the Company. Zimtu agreed to pay the Company \$10,000 per month in consideration for the license, which was the Company’s only source of income.

On June 15, 2018, the Company completed a non-brokered private placement of 3,600,000 per-consolidation Common Shares at a price of \$0.02 per Common Shares for gross proceeds of \$72,000.

2.2 Significant Acquisitions

As described below, the Company completed the Transaction. However, as the Transaction constituted a “reverse takeover” of the Company (as defined in National Instrument 51-102) the Company was not required to file a Form 51-102F4 in respect of the acquisition.

On April 23, 2021, the Company completed the acquisition of Aduro Energy. In consideration for the Transaction, the Company issued (a) an aggregate of 13,333,328 post-Consolidation Consideration Shares, *pro rata*, to the Vendors at a deemed price of \$0.15 per Consideration Share; (b) 26,666,656 post-Consolidation Special Warrants, which are divided equally between Class A Special Warrants and Class B Special Warrants, at a deemed price equal to the greater of (i) 0.65 times the volume weighted average trading price of the post-Consolidation Shares for the five trading days prior to the First Milestone Achievement Date (as defined herein), and (ii) \$0.15 per post-Consolidated Share; and, (c) 2,813,357 post-Consolidation Warrants which are exercisable on cashless basis at a price of \$0.50 per Share on a post-Consolidation basis for a period of 48 months from the date of Closing, subject to an acceleration provision.

The Special Warrants, which are held in escrow as required under the policies of the CSE, were issued to Ofer Vicus, in his capacity as Special Warrant Trustee, in trust for the Vendors. The Special Warrants are convertible for no additional consideration into post-Consolidation Shares on a one-for-one basis upon the achievement of the First Milestone (as defined herein), in the case of the Class A Special Warrants, or the achievement of the Second Milestone (as defined herein), in the case of the Class B Special Warrants.

The First Milestone Achievement Date is the date on which Professor Paul Charpentier or such other independent third party agreed upon by the Company and Aduro Energy delivers its report to the Company validating that the Company has, through the operation of a pre-pilot reactor system as described in Schedule D of the Share Exchange Agreement, successfully demonstrated the obtaining the Product, where the upgrading is achieved by means of the Technology.

The Second Milestone Achievement Date is the date on which any one or more of the additional business objectives under the definition of Second Milestone are achieved. Please see the definition of Second Milestone in the Glossary of Terms.

The post-Consolidation Class A Special Warrants shall be distributed on the First Milestone Achievement Date as follows: (i) first to certain Aduro Energy Noteholders, as fully paid and non-assessable securities of the Company, with the actual number of Class A Special Warrants to be distributed to the Aduro Energy Noteholders being determined by application of the conversion formula, on a post-Consolidation basis, set forth in the agreements amending the Notes (the “**Special Warrants Formula**”); and, (ii) second, with respect to the remainder of the Class A Special Warrants, to the Vendors *pro rata* in relation to the number of Consideration Shares received by each Vendor, as fully paid and non-assessable securities of the Company, with the actual number of Class A Special Warrants to be distributed to each Vendor being determined after calculating the number of Class A Special Warrants to be distributed to the Aduro Energy Noteholders by application of the Special Warrants Formula on the First Milestone Achievement Date.

The post-Consolidation Class B Special Warrants shall be distributed on the First Milestone Achievement Date to the Vendors *pro rata* in relation to the number of Consideration Shares received by each Vendor, as fully paid and non-assessable securities of the Company, with the actual number of Class B Special Warrants to be distributed to each Vendor being determined with reference only to the number of Consideration Shares received by each Vendor on Closing, on a post-Consolidation basis.

In connection with the Transaction and pursuant to the Share Exchange Agreement, the Company previously advanced Aduro Energy a bridge loan in the aggregate amount of \$500,000 which is secured by the assets and intellectual property of Aduro Energy. Upon closing of the Transaction, the bridge loan became an inter-company loan.

A listing statement describing the Company and Aduro Energy, as well as the terms of the Transaction, prepared in accordance with the policies of the CSE, was posted on SEDAR at www.sedar.com (the “**Listing Statement**”) on April 28, 2021. The summary information set out herein is qualified in its entirety by reference to the relevant descriptions in the Listing Statement.

3. DESCRIPTION OF BUSINESS

3.1 General Summary

Following closing of the Transaction, the sole business of the Company is now the business carried out by Aduro Energy. Aduro Energy has developed a novel chemical conversion process to transform waste plastics and low-grade renewable oils into renewable fuels and specialty chemicals.

Aduro Energy is a clean energy technology company, the core of which is its flexible Hydrochemolytic Technology (HCT) platform, which can be configured to upcycle certain plastics and tire rubber, and to upgrade renewable oils and bitumen. Aduro Energy currently directs HCT toward the three principal application areas, and is described in further detail below under *Business of Company and Principal Technology*. Aduro Energy’s technology transforms lower-value feedstocks into more useful, higher-value chemical feedstocks and fuels. Although the technology can be implemented in stand-alone operations, its greatest economic relevance and

impact is expected to be achieved through integration into the operational infrastructure at existing plants. Accordingly, Aduro Energy intends to engage operating companies, municipalities, chemical and petrochemical producers in partnerships to demonstrate and implement the technology through licensing arrangements. As of the date of this AIF, Aduro Energy currently has no licensing arrangements in place.

A key to this approach is HCT adaptability that is expected to confer both economic and operational flexibility to minimise implementation costs while maximising implementation speed. The following are examples of this approach:

1. Distillers corn oil (DCO) by-product from ethanol production can be converted to renewable diesel by addition of Hydrochemolytic Renewables Upgrading (HRU) at the backend of ethanol plants. Alternatively, the same process can be integrated into crushed oil seed operations, beef and poultry processing plants, and existing biodiesel plants seeking to adapt to market demands.
2. Hydrochemolytic Plastics Upcycling (HPU) can be implemented at operations that recover plastics or tire rubber. Possibilities include installation at (a) existing oil refineries for mass processing of waste plastic and tires into petroleum streams; and (b) small and large waste disposal sites for direct production of fuels and high-value chemical feedstocks, thereby avoiding the negative impact of transportation emissions and reducing the footprint of the landfilled in an advanced material processing ecosystem.
3. Hydrochemolytic Bitumen Upgrading (HBU) units can be implemented at bitumen production operations in Alberta or in the 130 petroleum refineries in North America (or the 300 refineries globally) to enhance yields from the bottom-of-the-barrel bitumen output from vacuum distillation units.
4. And in a particularly impactful scenario, HBU installations could co-process bitumen and plastics, serving to reduce the demand for petroleum, divert waste from landfills, and reduce the carbon footprint through the action of hydrogen from renewable sources (explained below under “*Business of Company and Principal Technology*”). This potential application of the Aduro technology has relevance to bitumen production in Alberta specifically, but is generally relevant to refining operations around the world.

Operational Highlights

The following sets out the operational highlights concerning the historical development of the Business:

1. Aduro Energy has established a patent strategy based on initial lab experiments that explored early Hydrochemolytic concepts. The Aduro Energy Hydrochemolytic technology is protected by the following three patents and three patents pending as of the date of this AIF:

Patents:

- i. SYSTEM AND METHOD FOR CONTROLLING AND OPTIMIZING THE HYDROTHERMAL UPGRADING OF HEAVY CRUDE OIL AND BITUMEN
US Patent Number: 9,783,742 B2
Type Original filing
Inventor(s) W. Marcus Trygstad
Assignee Aduro Energy, Inc.
Filed October 28, 2013
Issued October 10, 2017
Expires December 8, 2035 (anticipated)
Foreign Canada, Germany, France, Italy, Russian Federation, United Kingdom
- ii. SYSTEM AND METHOD FOR CONTROLLING AND OPTIMIZING THE HYDROTHERMAL UPGRADING OF HEAVY CRUDE OIL AND BITUMEN
US Patent Number: 9,644,455 B2
Type Continuation in part from US 9,783,742 B2
Inventor(s) W. Marcus Trygstad

Assignee Aduro Energy, Inc.
Filed March 18, 2014
Issued May 9, 2017
Expires November 4, 2034 (anticipated)
Foreign Canada, Germany, France, Italy, Russian Federation, United Kingdom

- iii. METHOD FOR EXTRACTING AND UPGRADING OF HEAVY AND SEMI-HEAVY OILS AND BITUMENS
US Patent Number: 8,372,347 B2
Type Original filing
Inventor(s) Brian Berkowitz, Stephen R. Dunn, and Ishai Dror
Orig. Assignee Yeda Research and Development Co Ltd.
Owner Aduro Energy, Inc. (by legal agreement)
Filed April 11, 2011
Issued February 12, 2013
Expires Novem 14, 2025 (anticipated)
Foreign Canada

Patents Pending:

- i. SYSTEM AND METHOD FOR HYDROTHERMAL UPGRADING OF FATTY ACID FEEDSTOCK
US Application Number: US15/818,274
Type Continuation in part from US 9,783,742 B2
Inventor(s) W. Marcus Trygstad
Assignee Aduro Energy, Inc.
Filed November 20, 2017
Issued n/a
Expires n/a
Foreign n/a
- ii. SYSTEM AND METHOD FOR PRODUCING HYDROTHERMAL RENEWABLE DIESEL AND SATURATED FATTY ACIDS
US Application Number: US16/676,636
Type Continuation in part from US 9,783,742 B2
Inventor(s) W. Marcus Trygstad, Anil K. Jhawar, Muhammad B. I. Chowdhury, and Shaun J. Fraser
Assignee Aduro Energy, Inc.
Filed November 7, 2019
Issued n/a
Expires n/a
Foreign n/a
- iii. CHEMOLYTIC UPGRADING OF LOW-VALUE MACROMOLECULE FEEDSTOCKS TO HIGHER-VALUE FUELS AND CHEMICALS
US Application Numbers: US63/089,725; US63/092,313
Type Continuation in part from US 9,783,742 B2
Inventor(s) W. Marcus Trygstad and Anil K. Jhawar
Assignee Aduro Energy, Inc.
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2. Aduro Energy has received interest in advancing the Technology from both Canadian and foreign companies. For example, in 2019, Aduro Energy entered into a lab services agreement with a publicly

traded company to assess its possibilities for asphaltene upgrading using Aduro Energy's HBU technology. Due to a confidentiality agreement between the public company and Aduro Energy, the name of the public company cannot be disclosed at this time. After completion of the Show Room Unit, Aduro Energy plans on entering into more lab services agreements to demonstrate to prospective customers the possibilities of the Technology which agreements are expected to result in some revenues for Aduro Energy. Aduro Energy intends to proceed with commercial licensing discussions after a larger scale pilot plant is built, which is anticipated to be within 24 months, and Aduro Energy intends for discussions to occur first with companies who entered into lab services agreements (at this time, there is only one such company) and subsequently thereafter with other prospective customers.

3. Aduro Energy has received approximately \$1,148,600 in research grant contributions from federal and provincial organizations as detailed below:
 - i. Natural Sciences Engineering Research Counsel of Canada – two grant contributions:
 - i. \$25,000 - Project: Development of a Hydrochemolytic Pilot Unit For Upgrading Asphaltene and Waste Plastics; Project Type: Engage Grants for colleges; Duration: 6 months (January 1, 2021 to June 1, 2021)
 - ii. \$448,000 – Project: Hydrothermal upgrading of non-food corn oil into high value alternative fuels; Project Type: NSERC Collaborative Research Grant; Duration: 24 months (January 1, 2018 to January 1, 2020)
 - ii. Bioindustrial Innovation Canada – one grant contribution:
 - i. \$250,000 – Project: NA; Project Type: NA; Duration: 20 months (January 10, 2020 to January 7, 2022)
 - iii. BIOFuelNet Canada – three grant contributions:
 - i. \$10,000 – Project: BioFuelNet Knowledge Translation Program; Project Type: Knowledge Translation Program; Date: April 3, 2017
 - ii. \$22,500 – Project: BioFuelNet Cycle 1 Application Research and Development; Project Type: Techno-Economic Analysis; Duration: 6 months (October 1, 2016 to March 31, 2017)
 - iii. \$145,600 – Project: BioFuelNet Supercritical Catalysis of Biofuels; Project Type: Supercritical Catalysis of Biofuels; Duration: 24 months (January 1, 2015 to January 1, 2017)
 - iv. Ontario Centres of Excellence – three grant contributions:
 - i. \$150,000 – Project: Hydrothermal upgrading of non-food corn oil into high value alternative fuels; Project Type: Voucher for Innovation and Productivity II (VIP II); Duration: 24 months (October 1, 2016 to September 30, 2018)
 - ii. \$32,500 – Project: Hydrothermal Upgrading of Bitumen with Green Solvents; Project Type: TalentEdge Fellowship Program (TFP); Duration: 15 months (December 1, 2015 to February 28, 2017)
 - iii. \$50,000 – Project: Novel Technology for the Hydrothermal Upgrading of Heavy Oil; Project Type: Collaborate to Commercialize (C2C); Duration: 12 months (October 1, 2013 to September 30, 2014)
 - v. Alberta Innovates – Energy and Environment Solutions – one grant contribution:
 - i. \$15,000 – Project: New Technology To Process Bitumen And Heavy Oils; Project Type: NA; Duration: 6 months (January 1, 2012 to June 1, 2012)

Technology

The Aduro Energy business is the development and commercialization of the Aduro Energy Intellectual Property covering the application of HCT to create higher-value chemicals and fuels from lower-value feedstocks. In doing so, the business addresses important problems faced by the global community. Originally conceived to radically enhance aspects of petroleum processing, the Aduro Energy Intellectual Property is protected by three patents and three patents pending as of the date of this AIF. Please see the list of three patents and three patents pending set forth above under “*Operational Highlights*.”

The technology is based on leveraging unique properties of water to achieve two important outcomes. First is the transformation of certain intractable post-consumer plastics and tire rubber, as well as renewable oils and bitumen, into manageable liquid intermediates. Second, the latter are stabilized through a chemical process called reduction, which involves *in situ* generation of hydrogen equivalents from non-petroleum sources such as biomass. This second step is analogous to decades-old processes that rely on extremely high temperatures to convert fossil fuels to molecular hydrogen, but instead operates at lower temperatures, uses renewable hydrogen sources, and eliminates the requirement for expensive catalysts.

In contrast with traditional approaches designed to process petroleum feedstocks, Aduro HCT is highly efficient, operating at relatively low temperatures. This makes it significantly more environment-friendly than established alternatives like energy-intensive pyrolysis or gasification. It is also highly configurable, supporting stand-alone, distributed deployment on smaller scales in remote locates or integration with existing operations, from biodiesel and ethanol plants to facilities for waste collection and recycling, to petrochemical plants. Although the conversion of non-petroleum feedstocks effectively reduces the demand for oil, Aduro Energy technology also offers the possibility for crude oil upgrading that is greener and cleaner. Instead of a being a single-purpose technology, Aduro HCT solutions can be applied in multiple ways that have a reduced operational and environmental footprint, compared with traditional approaches. Equally important, it also reduces the environmental impact associated with petroleum production and processing, landfilling, waste incineration and gasification, and unscrupulous dumping in oceans.

Aduro Energy’s team of experienced scientists and engineers developed this highly flexible water-based chemical conversion technology and its application to three important problems: (a) transforming post-consumer waste plastics into feedstock for new products or fuel; (b) transforming renewable oils into renewable fuels and (c) upgrading bitumen into lighter pipelineable crudes. These are the focus points of Aduro Energy’s commercial activities, and are described as follows:

Hydrochemolytic Plastics Upcycling (HPU), which was developed to address the mounting global problem of post-consumer plastics, foam, and rubber from used tires. HPU transforms plastics into useful feedstocks in the circular economy for production of new plastics and foams, paints and coatings, and detergents or, when appropriate, into high performance fuels.

Hydrochemolytic Renewables Upgrading (HRU), which transforms renewable oils into renewable motor fuels, bio-jet fuel, and specialty chemicals at relatively low temperatures without requirement for molecular hydrogen from external sources.

Hydrochemolytic Bitumen Upgrading (HBU), which is a completely new approach for transforming heavy crude oil and bitumen into lighter crude. Compared with traditional, decades-old methods, HBU employs lower temperatures and offers the possibility to use renewable materials like biomass as a source for hydrogen equivalents to upgrade bitumen. It obviates the requirement for expensive blending using light hydrocarbon diluent from distant reaches in North America, e.g., the U.S. Gulf Coast, and lends to downward-scaling and down-scoping to support distributed deployment at/near the wellhead.

These applications or uses of HCT solve real-world problems confronting society globally by delivering superior performance in respect of economic and environmental considerations. While HPU transforms waste polymers into a resource, HBU makes bitumen a cleaner and greener petroleum feedstock. HRU goes beyond this, bypassing petroleum altogether to produce carbon-neutral green diesel or specialty chemicals from renewable, non-petroleum sources such as non-food oil-seed crops grown on marginal lands. Management

believes that Aduro Energy is well positioned to capitalize on the significant growth potential in the clean energy technology sector through the advancement and commercialization of the HPU, HRU, and HBU.

Stage of Technology Development

In 2021, Aduro Energy built and commissioned the "R2" reactor system capable of processing up to two liters of feedstock per hour in continuous-flow mode. Located in laboratories at the Western University, its initial task was to demonstrate that results from HCT that had been firmly established in small-scale "R1" batch reactors also could be obtained in the flow-through mode typical of commercial processes. Having accomplished that objective and presented the results to Dr. Paul Charpentier in support of the First Milestone, R2 will be used to generate more chemical engineering data for use in scaleup to the "R3" pilot system and the subsequent "R4" pre-commercial system. It also will have ongoing value as a demonstration platform for attracting commercial partners, advancing technology R&D, improving process designs, and extending application of the technology to a wider range of feedstocks.

On June 24, 2021, Aduro announced that it has engaged Exergy Solutions Inc. ("**Exergy**") for technology process design work as Aduro plans for the next stage of its Hydrochemolytic technology development. Exergy is an engineering consultant that provides prototyping and piloting services to help companies identify, evaluate, advance, and deploy new technologies. Aduro will begin the development of a pre-production "R3" reactor with an increased processing capacity of 200 liters of bitumen per day. Exergy Solutions will support design and development of a new, 200-liter-per-day "R3" reactor at the Exergy research facility in Calgary, Alberta.

The Company's Principal Markets and Customers

Aduro Energy is directing its HCT into applications or uses in three principal markets. The following provides further explanation about markets and customers.

Hydrochemolytic Plastics Upcycling (HPU)

Demand for a solution to handle plastic waste has been gaining attention on diverse fronts globally, being driven by growing public concern, media coverage, attention from various global agencies, and policy development by local and national governments. The global plastics pollution problem is in the spotlight due to the sheer quantities of plastic waste and the absence of integrated, large-scale solutions.

Key potential customers include the following:

- Refineries
- Airlines
- Shipping industry
- Global and local energy companies
- Remote communities
- National and International waste collection companies
- Municipalities
- Governments

Hydrochemolytic Bitumen Upgrading (HBU)

The price of Alberta heavy oil is under heavy pressure, causing it to decline significantly and requiring producers to improve performance process efficiencies. Likewise, the range of traditional options that the industry relied on until now is also being severely tested and seems mainly to deliver incremental improvements where a paradigm change is needed. The Aduro HBU technology represents that sort of change, which will enable producers to recover profit margins by reducing blending costs and increasing the value of the final product. HBU does this by minimizing or eliminating the cost for light hydrocarbon diluent commonly used to reduce bitumen viscosity and density. But additionally, the reduction or elimination of diluent increases the volume fraction of crude, effectively increasing the net capacity of pipelines by as much as one-third.

Key potential customers include:

- Canadian provincial heavy oil producers

- International heavy oil producers
- Refineries

Hydrochemolytic Renewables Upgrading (HRU)

This technology offers the possibility to transform renewable oils into renewable motor fuels, bio-jet fuel, and specialty chemicals in scalable formats that can be integrated straightforwardly into existing operations.

Potential customers include:

- Ethanol producers
- Seed crushing plants that produce renewable oils
- Biodiesel plants seeking to respond to market demands
- Farmers seeking diversification through growing non-food oil seed crops on marginal lands
- Poultry and beef producers

Business model

Aduro Energy's future business model is based principally on licensing, royalties, and research and development. However, the company is still investigating different business models that may be a better fit to its operations. Monetization of the Aduro Energy clean energy platform through licensing model reduces company needs for cash while enabling a relatively pathway to commercialization that is relatively straightforward and fast.

Aduro Energy aims to develop commercial partnerships by means of demonstration projects. The effectiveness of this strategy has been demonstrated to be very effective for securing customer feedstock and funding commitments. Deliverables include reports that detail: the technology; its performance (including yields and mass balance); the key parameters and operational variables including chemical characterization of the feedstock and products; economic considerations covering product value and operational costs; operational considerations, and environmental considerations including GHG footprint and life cycle analysis. Among the business benefits are developing long term relations, evaluation of different business models and better understanding of geographical territories behaviors and characteristic.

Distribution Methods

1. Current Contracts with Customers

Aduro Energy has an existing customer to which it is providing experimental data on bitumen upgrading in exchange for \$126,000, payable over the achievement of five milestones as follows:

- Milestone 1: Upon execution of agreement by both parties – 40%
- Milestone 2: Upon Aduro completing ordering the equipment for retrofit the Aduro Hydrochemolytic Bitumen Upgrading HBU – 30%
- Milestone 3: Upon Aduro completing retrofitting and commissioning the Aduro HBU unit – 10%
- Milestone 4: Upon Aduro completing test runs and shipment of upgraded crude samples – 5%
- Milestone 5: Upon Aduro completing delivery of final report – 15%

As of the date of AIF, Aduro Energy has completed Milestone 3, and has invoiced the customer for the payment due upon such completion. Aduro Energy is currently working on completion of Milestones 4 and 5 and completion is expected in early 2022.

2. Customer acquisition strategy

Aduro Energy expects to develop commercial partnerships by means of demonstration projects. This strategy has been effective on a small scale for Aduro for securing customer feedstock and funding commitments. Moreover, Aduro anticipates the R2 system will expand its ability to enter contracts for such demonstration projects.

Typically, these projects result in deliverables that include reports that detail: the technology; its performance; the key parameters and operational variables including chemical characterization of the feedstock and products;

economic considerations covering product value and operational costs; operational considerations, and environmental considerations including emission footprint.

Mechanisms of overall market engagement include publications, conferences, trade events and a general social media presence (LinkedIn, Facebook, Twitter).

Aduro Energy has modest activity on Twitter and LinkedIn and is currently building its social media presence that also includes a new website which will act as its central business content and information repository. Aduro was also featured in an article on March 2, 2020:

<https://www.ceocointerviews.com/aduroenergy20.html>

Production and Services

For further information on the proposed method of production, please see the *General Summary, Operational Highlights, and Technology* subheadings of Section 3 – *Description of Business*.

Specialized Skill and Knowledge

As implied by the name, technology is at the core of Aduro Clean Technologies. Specifically, the Company has discovered and developed the chemistry that undergirds its Hydrochemolytic™ technology (HCT) for Hydrochemolytic Bitumen Upgrading (HBU); Hydrochemolytic Renewables Upgrading (HRU) for converting renewable oils to renewable chemicals and fuels; and Hydrochemolytic Plastics Upcycling (HPU) that recovers value from components in plastic waste (HPU) for the circular economy. Thus, HCT is not one thing, but an approach or platform that Aduro Energy configures for different applications. Certainly, doing that depends critically on understanding of how HCT works at the molecular level. But equally, it requires deep knowledge about the unique properties of the various feedstocks. Beyond that, the Company has the chemical engineering expertise required for scaling up to commercial reality. Aduro Energy is in full possession of its hard-won intellectual property that includes critical know-how and patents. These are the product of the company's creative, skilled team of R&D chemists and engineers, including its CTO. Yet, the capability of Aduro Energy to continue developing and commercializing HCT in diverse applications does not reside with any individual, but is distributed amongst team members and protected in patents, internal reports, and extensive laboratory notebooks.

Competitive Conditions

HBU, HRU, and HPU represent three market segments where Aduro Energy applies its HCT. Not surprisingly, the diverse feedstocks mean that companies offer diverse approaches/technologies for each. However, sometimes the same company will apply variations of on technology in more than one segment, or will offer different technologies to each segment. This brief review only views each segment with respect to the technologies offered.

HBU. A simple approach with relatively low CAPEX and OPEX is dilution with light hydrocarbons. This does not actually change the bitumen, but merely "cuts" it with higher-value diluent, which reduces the viscosity and density so that the bitumen can flow through a pipeline; value uplift is limited. An alternative, CAPEX-intensive approach draws on a package of technologies commonly used in petroleum refineries, including hydrocracking. These billion-dollar plants yield high-quality "synthetic crude," but at a high up-front cost. Typically, products from both approaches are blended to maximize overall profitability and minimize total upgrading costs. Aduro Energy HBU minimizes or eliminates the requirement for diluent while achieving partial upgrading without the high CAPEX and OPEX required to produce synthetic crude.

HPU. Waste plastic resource recovery also relies generally on two approaches, which are tailored for use with specific plastics (actually, the specific type of "polymer" molecules in a given type of plastic material). Certain polymers like PET (recycle symbol 1, ♻️) and polyurethane foams from mattresses and seat cushions can be deconstructed using well-understood chemical methods, but are constrained to use feedstocks that are more or less free of other plastics. Alternatively, the current fashion to process mixed polymers containing PET and other polymers (recycle symbols 2 – 7, ♻️ ♻️ ♻️ ♻️ ♻️ ♻️) by decades-old methods that apply extreme heat to break the polymer molecules apart. Besides high energy costs, these approaches have restrictions on mixed

plastic feedstock purity and produce complex product mixtures that require refining/purification. In HPU, Aduro Energy strategy selectively applies its Hydrochemolytic technology to obtain high-purity products at relatively low temperatures with minimum additional processing.

HRU. The principal technology gaining traction for converting renewable oils to fuel is the modification of a technology used in refining is sometimes referred to as HDRD (hydrogen-derived renewable diesel), which modifies renewable oil feedstocks while eliminating the oxygen they contain. It requires addition of some hydrogen; its implementation tends therefore limited to oil refineries that have a hydrogen in ample supply. Another, niche method that in concept is suitable for stand-alone implementation (not in a refinery) relies on thermal cracking that reduces yields of diesel- and jet-grade fuels, producing light hydrocarbon byproducts. By contrast, Aduro Energy HRU is downward scalable (operates efficiently on relatively small scales) and lends to distributed implementation close to where the oil-seed crops are produced. And it generates fuel without the requirement for external hydrogen, instead generating the hydrogen required using glycerol embedded in the renewable oil feed. Beyond fuels, Aduro Energy has identified the possibility to configure HRU to produce value-added chemicals for use in lubricants, foams, and detergents.

New Products

The Company has not publicly announced the introduction of a new product.

Components

Aduro Energy is an early-stage business is focusing on research and development and as such has not started production of any finished products. As a result, there is no information on sources, pricing and availability of raw materials.

Intangible Properties

As of May 2021, Aduro Energy's intangible properties consist of three patents and three patents pending that are considered the Aduro Energy Intellectual Property and the business's main assets. These patents are outlined under the *Operational Highlights* subheading of Section 3 – *Description of Business* of this AIF. Aduro Energy has full control over both the pending and filed patents.

Cycles

The business of the Company generally is not affected by seasonality.

Economic Dependence

The Company does not have any material contracts upon which it is substantially dependent upon.

Changes to Contracts

The Company does not expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts.

Effect of Environmental Protection Requirements

The Company does not expect its capital expenditures, earnings and competitive position to be materially affected by environmental protection requirements in the current financial year, or in future years.

Employees

The Company has five (5) full time employees, one (1) part time employee supported by grants, three (3) full time consultants, one (1) member on the technology research team supported by various grants, and three other consultants. Three (3) full time members of the technology research team are qualified scientists who have completed either a PHD or Master's degree in sciences and engineering, and they have 15 years of combined experience. The Company has utilized contractors as needed from time to time.

The Company recently added key members to its team by welcoming Dr. Ian McLennan, Senior Advisor Technical and Regulatory Affairs, and Dr. Birendra Adhikari, Technology Development Scientist.

Foreign Operations

The Company does not have any foreign operations but certain of its personnel are located outside of Canada.

Lending Operations

The Company is not engaged in the business of lending and does not intend to advance loans to third parties.

Bankruptcy, Receivership or Similar Proceedings

The Company has not been subject to any voluntary or involuntary bankruptcy, receivership or similar proceedings.

Reorganizations

See Section 2 – “General Development of the Business” and Section 2.2 “Significant Acquisition for more information.

Social or Environmental Policies

As the Company is still in its development stages, it has not implemented any social or environmental policies that are fundamental to its operations.

Regulatory Environment

Since Aduro Energy is the developer and licensor of its Technology and will not be an operator using its Technology, this could be subject to change, however at the moment the Company is not directly affected by any regulatory environment. Furthermore, given the nature of its technology, the Company believes that further environmental regulation will only increase the demand for technological solutions to climate change concerns.

3.2 Risk Factors

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and could cause the Company’s operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company’s business and its involvement in the clean energy technology industry. Management of the Company considers the following risks to be most significant for potential investors in the Company, but such risks do not necessarily comprise all those associated with an investment in the Company.

This section describes risk factors identified as being potentially significant to the Company. Additional risk factors may be included in other documents previously disclosed by the Company.

In addition, other risks and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of the Company’s securities, existing business activities, financial condition, results of operations, plans and prospects. An investment in securities of the Company involves significant risks, which should be carefully considered by prospective investors before purchasing such securities.

In addition to the other information set forth elsewhere in this AIF, the following risk factors should be carefully considered when considering risks related to Aduro’s business.

The Company Is an Early-Stage Technology Business

The Company’s strategy is to focus on developing its clean energy technology platform. The Company technology platform is an early-stage technology platform developed to upgrade renewable oils as well as waste plastics and rubber and Bitumen into to higher value products. The Company has invested and continues to invest a significant portion of its resources into this segment and will need to raise additional financing to pursue its business strategy. As with other comparable early-stage technology businesses, the Company faces the risks of product and technology failure, unforeseen research and development delays, weak market acceptance, possible change in government regulatory and competition from new entrants. Realization of any of these risks could have a significant negative impact on the Company’s anticipated future cash flows and its growth strategy.

Limited operating history and no assurance of profitability

The Company is a start-up business with a limited operating history and no established brand recognition. The Company will be subject to all the business risks and uncertainties associated with any new business enterprise, including the risks that it will not establish a market for its services, achieve its growth objectives or become profitable. The Company anticipates that it may take several years to achieve cash flow from operations. There can be no assurance that there will be demand for the Company's products or services or that the Company will ever become profitable.

Liquidity concerns and future financing requirements

The Company is in the development phase and has not generated any revenue. It will likely operate at a loss until its business becomes established and may require additional financing to fund future development of its technology and operations. The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to it. If additional financing is raised by issuing Common Shares from treasury, control of the Company may change, and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its business plan or cease operating.

Need for funds

In the short term, the continued operation of the Company will be dependent upon its ability to procure additional financing. The Company must obtain such financing through equity financing and there can be no assurance that the Company can raise the required capital it needs to build and expand the Company's business. Without this additional financing, the Company may be unable to advance the Company's business model, and the Company will likely fail. There can be no certainty that the Company can obtain these funds, in which case any investment in the Company may be lost. The raising of equity funding will also result in dilution of the equity position held by the Company's shareholders.

Uncertainty of use of proceeds

Although the Company has set out its intended use of available funds in the Listing Statement posted on SEDAR on April 28, 2021, the uses and figures provided are estimates only and are subject to change. While management does not contemplate any material variation from such estimates, management retains broad discretion in the application of such proceeds.

Operational risks

The Company will be affected by several operational risks against which it may not be adequately insured or for which insurance is not available, including pandemics such as COVID-19; catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; labor disputes; natural phenomena such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's premises, personal injury or death, environmental damage, resulting in adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and future cash flows, earnings and financial condition. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which it cannot insure or which it may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Technology risk

The Company's products and services are dependent upon advanced developments in its technologies which are susceptible to rapid impact by R&D and technological change. There can be no assurance that the Company's products and services will not be seriously affected by, or become obsolete as a result of, such technological changes. Further, some of the Company's services are currently under development and there can be no

assurance that these development efforts will result in a viable product or service as conceived by the Company or at all.

Competition

The clean energy technology industry is highly competitive, and the Company competes with a substantial number of companies that have greater financial, technical and marketing resources. As such, the Company is exposed to competition which could lead to loss of contracts or reduced margins and could have an adverse effect on the Company's business.

The Company's competitors may offer better value to the Company's prospective customers or substantially increase the resources devoted to the development and marketing of products and services that compete with those of the Company. There can be no assurance that the Company will be able to compete successfully against current or future competitors or that competitive pressures faced by the Company in the markets in which it operates will not have a material adverse effect on the Company's business. If the Company's competitors are successful in offering better pricing, service or products than the Company, this could render the Company's product and services offerings less desirable to merchant customers, resulting in the loss of merchant customers or a reduction in the price it could earn for its offerings.

Renewable Diesel Fuel Industry

Management understands that US, Canadian and most European governments require a minimum of 2% - 10% of diesel fuels to be comprised of renewable diesel. In Canada, it is 2% minimum by the federal government and in most provinces and an additional 2% has been added to the federal mandate, with some provinces increasing their requirement to 5% minimum blend, making a total blend of 7%. In USA it is 2-5% depending on State, with California seeking to increase to 10%. In Europe it is 5% for automotive and 10% for airlines.

- 2015 bio-diesel requirements for Western Canada were 196 million litres;
- 2015 bio-diesel production in Western Canada was reported to be 42 million litres; and
- The remaining 89.9% had to be imported from abroad.

The development of a renewable fuel facility involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the renewable fuel production may result in substantial rewards, few renewable fuel facilities are developed into profitable businesses without significant help from government subsidies. Major expenses may be required to establish the refinery business. It is impossible to ensure that the current business plan by the Issuer will result in a profitable commercial refining operation.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Renewable fuel refining operations generally involve a high degree of risk. The Issuer's operations are subject to all the hazards and risks normally encountered in the feedstock, process design, the fluctuation of fuel prices and possible damage to, or destruction of the producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, refining operations are subject to hazards such as equipment failure and fuel storage areas, which may result in environmental pollution and consequent liability.

The Company's refining activities are directed towards the search, evaluation and development of feedstock and its ability to convert it into renewable fuel. There is no certainty that the refineries will result in production of commercial quantities of renewable fuel. There is competition within the renewable fuel industry which is considered to have commercial potential. The Issuer will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production

Dependence on personnel

The Company's future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable

to or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Company may lose know-how, key professionals and staff members.

Commodity Prices

The profitability of the Company's operations will be significantly affected by changes in the market price of various renewable fuels. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in renewable fuel prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of diesel fuel has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable. Depending on the price of diesel fuels, cash flow from operations may not be sufficient. Any figures for reserves presented by the Issuer will be estimates and no assurance can be given that the anticipated production of fuel will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of renewable fuels, may render refining uneconomical. Short-term operating factors relating to the production of renewable fuels, such as the increased feed stock costs or drop in renewable fuel prices, could cause the refining operation to be unprofitable in any particular accounting period.

Volatility of common share price

The Shares are listed for trading on the Exchange. As such, factors such as announcements of quarterly variations in operating results, revenues, costs and market conditions in the digital advertising industry may have a significant impact on the market price of the Shares. Global stock markets, including the Exchange, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. The same applies to companies in the technology and marketing sectors. There can be no assurance that an active or liquid market will develop or be sustained for the Shares.

Dividends

The Company has not paid dividends to shareholders in the past and does not anticipate paying dividends in the foreseeable future. The Company expects to retain its earnings, if any, to finance growth.

Officer and director conflicts

Because directors and officers of the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other technology companies, the directors and officers of the Company may have a conflict of interest in conducting their duties. There can be no assurance such conflicts of interests will be resolved to the benefit of the Company.

Failure to Develop or Market Products or Services

Given the highly competitive and rapidly evolving alternative energy technology environment the Company operates in, where the Company's products and services are subject to rapid technological change and evolving industry standards, it is important for the Company to constantly enhance its existing product offerings, as well as develop new product offerings to meet strategic opportunities as they evolve. The Company's ability to enhance its technologies, products and services and to develop and introduce new innovative products and services to keep pace with technological developments and industry standards and the increasingly sophisticated needs of its clients and their customers will significantly affect its future success.

The Company's future success depends on its ability to design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry, and respond to its customer's shifting needs. While the Company anticipates that its research and development experience will allow it to explore additional business opportunities, there is no guarantee that those business opportunities will be realized. If the Company is unable to respond to technological changes, fails to or is delayed in developing products and services in a timely and cost-effective manner, the Company's products and services may become obsolete, which would negatively impact sales, profitability and the continued viability of the business.

Developing new products and services in the alternative energy sector is very expensive, the Company may encounter delays when developing new technology solutions and services, and the investment in technology development may involve a long payback cycle. The Company's future plans include significant investment in technology solutions, research and development and related product opportunities. The failure to properly manage the expanding offering of products and services as well as the failure to develop and successfully market new products and services at favourable margins could have an adverse effect on the Company's business.

The reliability of the technology will be critical to the success of the Company

The Company's reputation and ability to attract, retain and serve customers are also dependent upon the reliable performance of the Company's technology, products and services. The technology is new, as such it has no history to build or rely on. The Company may experience interruptions, outages and other performance problems related to the technology, products or services. Such disruptions may be due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints and inadequate design. A future rapid expansion of our business could increase the risk of such disruptions. In some instances, the Company may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Any errors, defects or security vulnerabilities discovered in the Company's offerings could result in loss of revenue or delay in revenue recognition, loss of customers and increased service and warranty cost, any of which could adversely affect the business, results of operations and financial condition of the Company.

If the Company is unable to protect its intellectual property rights, the Company's competitive position could be harmed or the Company could be required to incur significant expenses to enforce its rights

The Company's ability to protect its intellectual property affects the success of the business. The Company will rely on trade secret, patent, copyright and trademark laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. The steps the Company have taken to protect its proprietary rights may not be adequate to preclude misappropriation of the proprietary information or infringement of the intellectual property rights, and the ability to police such misappropriation or infringement is uncertain. The intellectual property rights granted to the Company, if any, may not provide the Company with proprietary protection or competitive advantages, and, as with any technology, competitors may be able to develop similar or superior technologies that the Company own now or in the future. There is no guarantee that such parties will abide by the terms of such agreements or that the Company will be able to adequately enforce our rights.

Conflicts of Interest

Certain directors and officers of the Company also serve, or may serve in the future, as directors and/or officers of other companies, and consequently conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies. Any decision made by any of these directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which these directors may have a conflict of interest in accordance with, and subject to such other procedures and remedies as applicable, under the BCBCA and other applicable laws.

4. DIVIDENDS AND DISTRIBUTIONS

The Company has no fixed dividend policy and has not declared any dividends on its Common Shares since its incorporation. Aduro intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. Subject to the BCBCA, the actual timing, payment and amount of any dividends declared and paid by the Company will be determined by and at the sole discretion of the Company's Board of Directors from time to time based upon, among other factors, the Company's cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and exploration, and such other considerations as the Board in its discretion may consider or deem relevant.

5. DESCRIPTION OF CAPITAL STRUCTURE

5.1 General Description of Capital Structure

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value. There are 35,608,759 post-Consolidation Common Shares issued and outstanding as of the date of this AIF.

Holders of Common Shares are entitled to one vote for each Common Share held at all meetings of Shareholders, to receive dividends if, as and when declared by the Board, and to participate in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. The Common Shares carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring a holder of Common Shares to contribute additional capital, and no restrictions on the issuance of additional securities by the Company. There are no restrictions on the repurchase or redemption of Common Shares by the Company except to the extent that any such repurchase or redemption would render the Company insolvent.

Preferred Shares

The Company is authorized to issue an unlimited number of Preferred Shares, of which no Preferred Shares are issued. The holders of Preferred Shares are neither entitled to attend any general meeting of the Company nor vote at any such meeting. The holders of Preferred Shares are entitled to receive dividends as and when declared by the Board in such amounts and in such form as the Board may determine from time to time.

In the event of liquidation, dissolution or winding-up of the Company, each holder of Preferred Shares will be entitled to be paid, in preference to and in priority over any distribution of assets or payment to holders of Shares, an amount per share equal to the amount paid for each Preferred Share held plus all accrued but unpaid dividends.

5.2 Constraints

There are no constraints on the ownership of securities of the Company.

5.3 Ratings

Neither the Company, nor any of its subsidiaries, has received any ratings.

6. MARKET FOR SECURITIES

6.1 Trading Price and Volume

Following the closing of the Transaction, on April 27, 2021, the Common Shares have been re-listed on the CSE under the trading symbol "ACT". The following table sets forth the reported intraday high and low prices and the trading volume for the Shares on the CSE, as applicable, on a monthly basis for each month since January 2020 and to the date of this AIF:

Month	High (\$)	Low (\$)	Volume Traded
January 4 to January 7, 2022	0.89	0.70	135,628
December 2021	0.86	0.70	927,451
November 2021	0.98	0.73	2,255,542
October 2021	1.01	0.80	2,232,700
September 2021	1.21	0.78	3,890,117
August 2021	0.90	0.79	765,941
July 2021	0.95	0.75	1,635,456
June 2021	0.93	0.67	1,841,586

Month	High (\$)	Low (\$)	Volume Traded
May 2021	1.30	0.64	4,897,631
April 2021 ⁽¹⁾	0.85	0.59	2,177,171
March 2021	No trades		
February 2021	No trades		
January 2021	No trades		
December 2020	No trades		
November 2020	No trades		
October 2020	No trades		
September 2020	No trades		
August 2020	No trades		
July 2020	0.07	0.07	0
June 2020	0.07	0.07	0
May 2020	0.07	0.07	0
April 2020	0.07	0.07	0
March 2020	0.07	0.07	0
February 2020	0.07	0.07	0
January 2020	0.07	0.07	0

⁽¹⁾ Trading resumed on April 27, 2021 following the closing of the Transaction.

6.2 Prior Sales

From May 31, 2020 to the date of this AIF, the Company has issued the class of securities in the following table:

Security	Date of Issuance	Number of Securities	Issue Price or Exercise Price per Security (\$)	Expiry Date (if applicable)
Common Shares	September 2, 2020	3,348,146 ⁽²⁾	0.15 ⁽²⁾	
Broker Warrants ⁽¹⁾	September 2, 2020	18,000 ⁽²⁾	0.21 ⁽²⁾	September 2, 2022
Common Shares	January 26, 2021	66,666 ⁽²⁾	0.15 ⁽²⁾	
Common Shares	February 4, 2021	5,632,725 ⁽²⁾	0.25 ⁽²⁾	
Warrants ⁽³⁾	February 4, 2021	5,632,725 ⁽²⁾	0.50 ⁽²⁾	February 4, 2025
Broker Warrants ⁽⁴⁾	February 4, 2021	75,945 ⁽²⁾	0.30 ⁽²⁾	February 4, 2023
Common Shares ⁽⁵⁾	April 23, 2021	13,333,328	0.15	
Warrants ⁽⁵⁾	April 23, 2021	2,813,357	0.50	April 23, 2025
Class A Special Warrants ⁽⁶⁾	April 23, 2021	13,333,328	See Note 6	
Class B Special Warrants ⁽⁶⁾	April 23, 2021	13,333,328	See Note 6	
Options	April 30, 2021	3,549,999	0.65	April 30, 2021
Common Shares ⁽⁷⁾	May 12, 2021	3,816,869	0.55	
Warrants ⁽⁷⁾	May 12, 2021	1,908,434	0.80	May 12, 2023

Security	Date of Issuance	Number of Securities	Issue Price or Exercise Price per Security (\$)	Expiry Date (if applicable)
Broker Warrants ⁽⁸⁾	May 12, 2021	126,681	0.80	May 12, 2023
Common Shares ⁽⁹⁾	May 14, 2021	18,000 ⁽²⁾	0.21 ⁽²⁾	
Options	May 21, 2021	200,000	0.76	May 21, 2023
Options	June 18, 2021	50,000	0.80	June 18, 2023
Common Shares ⁽¹⁰⁾	July 5, 2021	100,000 ⁽²⁾	0.50 ⁽²⁾	
Common Shares ⁽¹⁰⁾	August 24, 2021	400,000 ⁽²⁾	0.50 ⁽²⁾	
Common Shares ⁽¹⁰⁾	August 25, 2021	200,000 ⁽²⁾	0.50 ⁽²⁾	
Common Shares ⁽¹⁰⁾	September 2, 2021	100,000 ⁽²⁾	0.50 ⁽²⁾	
Common Shares ⁽¹⁰⁾	October 13, 2021	500,000 ⁽²⁾	0.50 ⁽²⁾	
Common Shares ⁽¹⁰⁾	October 19, 2021	100,000 ⁽²⁾	0.50 ⁽²⁾	
Common Shares ⁽¹⁰⁾	October 20, 2021	200,000 ⁽²⁾	0.50 ⁽²⁾	
Common Shares ⁽¹⁰⁾	October 29, 2021	100,401 ⁽²⁾	0.50 ⁽²⁾	

- (1) Issued to certain finders in connection with a non-brokered private placement of Common Shares.
- (2) Adjusted on a Post-Consolidation basis.
- (3) Warrants issued pursuant to non-brokered private placement of units on February 4, 2021. For greater details, see “*Three Year History – 20/21 Fiscal Year*”
- (4) Issued to certain finders in connection with the non-brokered private placement on February 4, 2021.
- (5) Shares and warrants issued in connection with the Securities Exchange Agreement and Amendment Agreement. For greater details, see “*Three Year History – 20/21 Fiscal Year*”
- (6) Issued pursuant to the Transaction. For greater details, see “*General Development of the Business – Significant Acquisitions*”
- (7) Shares and warrants issued pursuant to non-brokered private placement of units on May 12, 2021. For greater details, see “*Three Year History – 20/21 Fiscal Year*”
- (8) Issued to certain finders in connection with the non-brokered private placement on May 12, 2021.
- (9) Shares issued on exercise of broker warrants issued on September 2, 2020.
- (10) Shares issued on exercise of warrants issued on February 4, 2021.

7. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table sets out the number and class of securities of the Company held in escrow under the Escrow Agreements, to the knowledge of the Company, and the percentage that number represents of the outstanding securities of that class as at April 23, 2021:

Designation of Class of Securities Held in Escrow	Number of Securities Held in Escrow ⁽¹⁾	Percentage of Class
Common Shares	12,844,870 ⁽²⁾	42.71%
Warrants	2,408,561 ⁽³⁾	28.20%
Special Warrants	26,666,656 ⁽⁴⁾	100%

- (1) Adjusted on a Post-Consolidation basis.
- (2) Includes 1,430,001 post-Consolidation Common Shares held in escrow under the 2018 Escrow Agreement by Christopher Parr, David Hodge, Craig Murata and Zimtu Capital Corp. and 11,417,869 Common Shares held in escrow under the 2021 Escrow Agreement by Ofer Vicus and W. Marcus Trygstad.
- (3) Consists of 2,408,561 post-Consolidation Consideration Warrants held by Ofer Vicus and W. Marcus Trygstad under the 2021 Escrow Agreement.
- (4) Includes 13,333,328 post-Consolidation Class A Special Warrants and 13,333,328 post-Consolidation Class B Special Warrants held in escrow by the Escrow Agent and which are held in trust for the Target Vendors by Ofer Vicus, as Special Warrant Trustee, until deemed to be distributed to the Target Vendors on achievement of the First Milestone and thereafter are converted into Common Shares on the First Milestone Achievement Date, in the case of the Class A Special Warrants, and on the Second Milestone Achievement Date, in the case of Class B Special Warrants. On conversion of the Special Warrants, the Common Shares issued to Ofer Vicus and W. Marcus Trygstad will be subject to escrow under the terms of the 2021 Escrow Agreement as Related Parties under the Policies of the CSE.

Ofer Vicus, W. Marcus Trygstad and Christopher Parr are Principals (as such term is defined under National Policy 46-201 – *Escrow for Initial Public Offering* (“NP-46-201”)) or Related Persons who are required to be subject to an escrow agreement pursuant to section 2.8 of CSE Policy 2.

A total of 1,430,000 post-Consolidated Shares are held in escrow under the 2018 Escrow Agreement by Christopher Parr, David Hodge, Craig Murata, Zimtu Capital Corp and several other shareholders which are subject to the following release schedule:

Date of Automatic Timed Release	Shares Released
On August 12, 2021	1/2 of the remainder of the Shares held (715,000 Shares)
On February 12, 2022	The remainder of the Shares held (715,001 Shares)

A total of 11,417,869 post-Consolidated Shares are held in escrow under the 2021 Escrow Agreement by Ofer Vicus and Marc Trygstad and are subject to the following release schedule:

Date of Automatic Timed Release	Shares Released
On April 27, 2021	1/10 of the Shares held (1,141,786 Shares)
On October 27, 2021	1/6 of the remainder of the Shares held (1,712,680 Shares)
On April 27, 2022	1/5 of the remainder of the Shares held (1,712,680 Shares)
On October 27, 2022	1/4 of the remainder of the Shares held (1,712,680 Shares)
On April 27, 2023	1/3 of the remainder of the Shares held (1,712,680 Shares)
On October 27, 2023	1/2 of the remainder of the Shares held (1,712,680 Shares)
On April 27, 2024	The remainder of the Shares held (1,712,683 Shares)

The Escrow Agreements provide that the Shares are held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, or transferred within escrow or otherwise dealt with in any manner without the prior written consent of the Exchange. In the event of the bankruptcy of an escrow shareholder, provided the Exchange does not object, the Shares held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the escrowed shares which shares will remain in escrow subject to the escrow agreement. In the event of the death of an escrow shareholder, provided the Exchange does not object, the Shares held by the escrow shareholder will be released from escrow.

8. DIRECTORS AND EXECUTIVE OFFICERS

8.1 Name, Occupation and Security Holding

The following table sets the name, residence and principal occupation of each director and executive officer of the Company. In addition, the table shows the date on which each individual first became a director and/or officer and the number of common shares of the Company that each individual beneficially owns, or exercises control or direction over, directly or indirectly, as of the date of this AIF. The information as to shares owned beneficially, not being within the knowledge of the Company, has been forwarded by the directors and officers individually.

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Director or Officer Since	Number of Shares Owned (Percentage) ⁽¹⁾
<p>Ofer Vicus⁽²⁾ Ontario, Canada Canada</p> <p><i>CEO and Director</i></p>	<p>Founder and CEO of Aduro Energy Inc. since November 2011, Ofer Vicus has over 15 years of experience in developing and marketing innovative technologies and processes in Canada and abroad. He is the passion behind Aduro and responsible for building its research and business team. He has extensive knowledge in alternative approaches for petrochemical processes with a focus of limiting environmental impacts of the traditional chemical and petrochemical industries. He has distinguished himself through his ability to bring ideas to reality with advanced academic research, strong intellectual property foundations, and support by government programs and industry partners.</p> <p>Mr. Vicus has previously worked in leadership positions with other companies, including Spectronix Ltd. (2004-2006), a company that designed and manufactured EX optical flame detectors. As the Vice President of Business Development for Spectronix Ltd., Mr. Vicus supported the organization through operation and service.</p> <p>Mr. Vicus also served at Qualion NMR (2005-2006) as the Vice President, Marketing, developing marketing channels and tools for the adoption of inline NMR spectrometers by mid and large size refineries. Before launching Aduro, Mr. Vicus worked with the CEO of Curapipe Systems (2007-2010), a Trenchless Automated Leakage Repair (TALR) technology to seal cracks and holes in urban water pipes, as an investor and Vice President of Business Development, to develop the R&D, build an engineering team and establish a pilot unit, and to assist in capital raising.</p> <p>Mr. Vicus holds a Bachelor of Engineering in Industrial Engineering by Sunderland University, School of Engineering and Advanced Technologies and an Executive Master of Business Administration (Northwestern Kellogg / Tel Aviv Recanati University).</p>	<p>April 23, 2021</p>	<p>10,123,106 (28.43%)</p>
<p>Donnacha Rahill Ontario, Canada Canada</p> <p><i>CFO and Secretary</i></p>	<p>Donnacha Rahill is an internationally experienced financial executive specializing in work with start-ups. He has over 20 years of experience in various CFO and senior finance roles in Ireland, Canada and Singapore. For the five years prior to joining Aduro, Mr. Rahill served as Chief Financial Officer of Flow Capital Corp. (TSXV: FW) and during this time he took a leadership role in two business combination transactions.</p> <p>Mr. Rahill has been a Fellow of the Institute of Chartered Accountants in Ireland since November 1987.</p>	<p>January 11, 2021</p>	<p>Nil</p>
<p>W. Marcus Trygstad Texas, United</p>	<p>Co-founder of Aduro Energy, W. Marcus Trygstad, has over 25 years of experience in the development and application of advanced strategies for monitoring,</p>	<p>April 23, 2021</p>	<p>1,291,763 (3.63%)</p>

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Director or Officer Since	Number of Shares Owned (Percentage) ⁽¹⁾
<p>States</p> <p><i>CTO and Director</i></p>	<p>controlling, and optimizing industrial processes, particularly in the downstream refining, petrochemical, pharmaceutical, and specialty chemical industries. His focus on fundamental process chemistry led to the genesis of Aduro Intellectual Property and early patent applications.</p> <p>Prior to Aduro Energy, Mr. Trygstad was involved in various technology developments as principal inventor and author of patent applications in advanced monitoring technology. Mr. Trygstad previously served as application scientist, business development manager, technical sales consultant, and product manager with various companies including ABB Ltd. (2000-2006), where he served as Application and Business Development Manager and Technical Sales Consultant; Invensys Plc (2006-2009), where he led the collaborative development, productization, and commercialization of sampling technology and measurement solutions for enabling Invensys offerings to the refining industry; and Yokogawa Electric Corporation (2012 – 2019), where he was involved in the technology development of process monitoring and measurement-enabled optimization solutions.</p> <p>Mr. Trygstad holds a B.A. Chemistry (St. Olaf College, Minnesota) and pursued Masters level studies in chemistry, material science & engineering, and chemometrics (University of Utah).</p>		
<p>Chris Parr⁽²⁾ British Columbia, Canada</p> <p><i>Director</i></p>	<p>Chris Parr has over 10 years' experience in financing, business development and investing in the technology sector.</p> <p>Mr. Parr most recently served as President, and CEO of Dimension Five, a public company that completed an amalgamation with Aduro Energy Inc. which subsequently formed Aduro Clean Technologies Inc. from January 2018 until April 2021.</p> <p>Prior to Dimension Five, Mr. Parr served Zimtu Capital Corp., an investment issuer listed on the TSX Venture Exchange (the "TSXV"), in the capacity of Strategic Development Manager. In this role he focused on identifying and working with undervalued technology companies in an effort to unlock their potential. Mr. Parr held this role at Zimtu from May 2016 until July 31, 2018.</p> <p>Prior to Zimtu, Mr. Parr's role was a licensed investment advisor where he advised on futures and options advising and trading at Global Securities Corp. from March 2014 to April 2016.</p>	<p>January 11, 2018</p>	<p>776,109 (2.18%)</p>

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Director or Officer Since	Number of Shares Owned (Percentage) ⁽¹⁾
Peter Kampian ⁽²⁾ Ontario, Canada Director	<p>Peter Kampian is a seasoned financial executive with a previous experience in leadership roles with startup and established companies undertaking various transactions, including acquisitions, initial public offerings, managing debts and raising capital. He has experience in a number of sectors, including renewable energy, cannabis and mining.</p> <p>Mr. Kampian is currently Chief Executive Officer of Edge Financial Consulting Services Corp. where he acted as Chief Restructuring Officer for PharmHouse Inc. He previously served as Chief Financial Officer (CFO) of DionyMed Brands Inc. (2017 to 2019) (DYME-CSE) and Mettrum Health Corp (2014-2017) (MT-TSX-V). He also previously served as the CFO of Algonquin Income Fund (currently TSX-AQN) (1999-2007). Mr. Kampian is also a director of Harborside Inc (HBOR-CSE) (2020 to present). He also previously held board positions at Red Pine Exploration Inc, CannaRoyalty Corp (OriginHouse – acquired by Creco Labs Inc.) (2017-2018), James E Wagner Cultivation Ltd (2017-2020) and Flow Capital Corp (2017-2018).</p> <p>Mr. Kampian is a Canadian Chartered Accountant (CPA, CA, 1986), a member of the Institute of Corporate Directors (ICD.D) (2018) and a graduate of Wilfrid Laurier University (Bachelor of Business Administration, 1982).</p>	April 23 2021	Nil

(1) Information is on a post-Consolidation basis and has been furnished by the respective officers/directors individually.

(2) Member of the committee of the Board (the “**Audit Committee**”).

As of the date of this AIF, the directors and executive officers of the Company beneficially own, directly or indirectly, as a group 12,190,978 post-Consolidation Shares representing approximately 34.33% of all outstanding Shares on a non-dilutive basis.

The Company has one committee of the Board: the Audit Committee. The Audit Committee is comprised of three directors consisting of Chris Parr, Peter Kampian (Chair) and Ofer Vicus. The Company’s Audit Committee Charter is attached hereto as Schedule A.

8.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Peter Kampian was Chief Financial Officer of DionyMed Brands Inc. from November 2018 to March 2020. A receiver was appointed for DionyMed Brands Inc. by the Supreme Court of British Columbia on October 29, 2019.

Peter Kampian was a director of James E Wagner Cultivation Corporation (“**JWC**”) and also a member of the special committee of the board of JWC, which is mandated to restructure the financial affairs of JWC. JWC filed for protection under the Companies’ Creditor Arrangement Act on April 1, 2020. On August 28, 2020, the sale of the JWC assets was completed and the Mr. Kampian resigned from the board of JWC.

Peter Kampian acted as Chief Financial Officer of Oneworld Energy Inc. (“**Oneworld**”), a renewable energy developer of wind and solar projects, from October 2009 to July 2011. In October 2010, Mr. Kampian was appointed to Oneworld’s board of directors. In July 2011, Mr. Kampian resigned as Chief Financial Officer of

Oneworld and accepted a position with Riverbank Power Corporation. Mr. Kampian resigned as a director of Oneworld in October 2011. In June 2012, Oneworld filed for bankruptcy.

To the knowledge of the Company, other than as disclosed above, no director, officer or promoter of the Company, or a securityholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been, within 10 years before the date of this AIF, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the issuer access to any exemptions under applicable securities laws, for a period of more than 30 consecutive days; or
- (b) 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.

Bankruptcies

Other than as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

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

Penalties or Sanctions

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

8.3 Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests with they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

To the knowledge of the Company, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management, as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promotes and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

9. PROMOTERS

Mr. Vicus is a promoter of the Company in that he took the initiative in founding and organizing Aduro Energy and was instrumental in facilitating the Transaction. Mr. Vicus beneficially owns, directly or indirectly, or exercise control or direction over, an aggregate of 10,123,106 post-Consolidation Shares, on an undiluted basis, being 33.74% of the outstanding Shares, as more particularly described elsewhere in this AIF. See “*Directors, Officers and Promoters*” for additional information.

10. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to the Company to which the Company is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated.

To the knowledge of the Company, no director, officer or promoter of the Company, or a securityholder holding sufficient securities of the Company to affect materially the control of the Company, has:

- (a) been subject to 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) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

11. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or an associate or affiliate of a director, executive officer or principal shareholder of the Company, has any material interest, direct or indirect, in any transaction which has occurred within the three years before the date of this AIF or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company.

12. TRANSFER AGENT AND REGISTRAR

Aduro Energy’s transfer agent and registrar for its Common Shares is Computershare Investor Services Inc., of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9. Transfers may be recorded in Toronto, Ontario or Vancouver, British Columbia.

13. MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company during the year ended May 31, 2021 and to the date hereof which are currently in effect and considered to be material:

- (a) the Securities Exchange Agreement, as described elsewhere in this AIF;
- (b) the Amendment Agreement, as described elsewhere in this AIF;
- (c) the Listing Statement, as described elsewhere in this AIF;
- (d) the 2021 Escrow Agreement, as described elsewhere in this AIF; and
- (e) the 2018 Escrow Agreement, as described elsewhere in this AIF.

The Company confirms that it has posted on SEDAR all material contracts listed in this AIF.

14. INTERESTS OF EXPERTS

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this AIF or as having prepared or certified a report or valuation described or included in this AIF holds any beneficial interest, direct or indirect, in any

securities or property of the Company or of an Associate or Affiliate of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate of the Company and no such person is a promoter of the Company or an Associate or Affiliate of the Company. DeVisser Gray LLP is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

15. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information relating to the Company's Audit Committee may be found in the Company's most recent MD&A, available on SEDAR at www.sedar.com. In addition, the Company's Audit Committee Charter is attached hereto as Schedule A.

Additional financial information is provided in Aduro's audited financial statements and related management discussion and analysis for its financial year ended May 31, 2021, available on SEDAR at www.sedar.com

SCHEDULE A
AUDIT COMMITTEE CHARTER

ADURO CLEAN TECHNOLOGIES INC.
AUDIT COMMITTEE CHARTER

This charter (“Charter”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (“Committee”) of the Board of Directors (“Board”) of Aduro Clean Technologies Inc. (“Corporation”).

1. PURPOSE

- 1.1 The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:
- (a) financial reporting and disclosure requirements;
 - (b) ensuring that an effective risk management and financial control framework has been implemented by management of Corporation; and
 - (c) external audit processes.

2. COMPOSITION AND MEMBERSHIP

- 2.1 The Board will appoint the members (“Members”) of the Committee. The Members will be appointed to hold office until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.
- 2.2 The Committee will consist of at least three directors, all of who meet the criteria for financial literacy and a majority of who meet the criteria for independence established by applicable laws and the rules of the stock exchange upon which Corporation’s securities are listed, including *Multilateral Instrument 52-110 - Audit Committees*. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- 2.3 The Board will appoint one of the Members to act as the Chair of the Committee. The secretary of Corporation (“Corporate Secretary”) will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3. MEETINGS

- 3.1 Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- 3.2 At the request of the external auditors of Corporation, the Chief Executive Officer or the Chief Financial Officer of Corporation or any member of the Committee, the Chair will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- 3.3 The Chair, if present, will act as the Chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, then the Members present may select one of their number to act as Chair of the meeting.
- 3.4 Two Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- 3.5 The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee may meet in camera without management at each meeting of the Committee.
- 3.6 In advance of every regular meeting of the Committee, the Chair, with the assistance of the Corporate Secretary, will prepare and distribute to the Members and others, as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Corporation to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4. DUTIES AND RESPONSIBILITIES

4.1 Financial Reporting and Disclosure

- (a) Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, guidance with respect to earnings per share, any public release of financial information through press release or otherwise, and similar disclosure documents with such documents to indicate whether such information has been reviewed by the Chair of the Audit Committee, the Board or the Committee;
- (b) Review with management of Corporation and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS"), all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Corporation's financial position and the results of its operations in accordance with IFRS, as applicable; and,

4.2 Internal Controls and Audit

- (a) Review and assess the adequacy and effectiveness of Corporation's system of internal control and management information systems through discussions with management and the external auditor to ensure that Corporation maintains:
 - (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Corporation's transactions;
 - (ii) effective internal control systems; and
 - (iii) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud.
- (b) Satisfy itself that management has established adequate procedures for the review of Corporation's disclosure of financial information extracted or derived from Corporation's financial statements;
- (c) Satisfy itself that management has periodically assessed the adequacy of internal controls, systems and procedures in order to ensure compliance with regulatory requirements and recommendations;
- (d) Review and discuss Corporation's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- (e) Review and assess, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Corporation's risk management policies and procedures with regard to identification of Corporation's principal risks and implementation of appropriate systems to manage such risks, including an assessment of the adequacy of insurance coverage maintained by Corporation; and
- (f) Review and assess annually, and in the Committee's discretion make recommendations to the Board regarding Corporation's investment policy.

4.3 External Audit

- (a) Recommend to the Board a firm of external auditors to be engaged by Corporation;
- (b) Ensure the external auditors report directly to the Committee on a regular basis;
- (c) Review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (d) Review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (e) Establish and maintain a direct line of communication with Corporation's external and internal auditors;
- (f) Meet in camera with only the auditors, with only management, and with only the members of the Committee;
- (g) Review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor's team;
- (h) Oversee the work of the external auditors appointed by the shareholders of Corporation with respect to preparing and issuing an audit report or performing other audit, review or attest services for Corporation, including the resolution of issues between management of Corporation and the external auditors regarding financial disclosure;
- (i) Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Corporation, and the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- (j) Discuss with the external auditors their perception of Corporation's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review,

and availability of records, data and other requested information and any recommendations with respect thereto;

- (k) Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and
- (l) Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors.

4.4 Associated Responsibilities

- (a) Monitor and periodically review the whistleblower policy and associated procedures for:
 - (i) the receipt, retention and treatment of complaints received by Corporation regarding accounting, internal accounting controls or auditing matters;
 - (ii) the confidential, anonymous submission by directors, officers and employees of Corporation of concerns regarding questionable accounting or auditing matters; and
 - (iii) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of Corporation's Code of Business Conduct & Ethics or governance policies;
- (b) Review and approve Corporation's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditor of Corporation.

4.5 Non-Audit Services

Pre-approve all non-audit services to be provided to Corporation or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

4.6 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Corporation's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Corporation, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Corporation's financial information or public disclosure.

5. REPORTING

- 5.1 The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Corporate Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

6. ACCESS TO INFORMATION AND AUTHORITY

- 6.1 The Committee will be granted unrestricted access to all information regarding Corporation and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at Corporation's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

7. REVIEW OF CHARTER

7.1 The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.