

**POTENT VENTURES INC.**  
**[formerly, WEEKEND UNLIMITED INDUSTRIES INC.]**  
734 – 1055 Dunsmuir Street  
Vancouver, BC V7X 1B1

**MANAGEMENT INFORMATION CIRCULAR**  
**AS AT MAY 18, 2021**

**THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF POTENT VENTURES INC.** (the “**Company**”) for use at the annual general and special meeting of shareholders of the Company (the “**Shareholders**”) to be held on Monday, June 21, 2021, at Suite 1100 – 1111 Melville Street, Vancouver, British Columbia at 10:00 a.m. (Vancouver time) and at any adjournment or postponement thereof for the purposes set out in the enclosed notice of meeting (the “**Notice of Meeting**”). In this Information Circular, references to “the Company”, “Potent Ventures”, “we” and “our” refer to Potent Ventures Inc. [formerly, Weekend Unlimited Industries Inc.] “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice of Meeting.

In this Circular, unless otherwise specified, all currency amounts are expressed in Canadian dollars. Information contained in this Circular is given as at May 18, 2021 (the “**Record Date**”), unless otherwise specifically stated.

**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

Except for statements of historical fact contained herein, the information presented in this Circular constitutes “forward-looking statements” or “information” (collectively “**statements**”). These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “forecast”, “outlook”, “potential”, “continue”, “should”, “likely”, or the negative of these terms or other comparable terminology. Although management believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited, risks related to our limited operating history and history of limited or no earnings, competition from other companies in similar industries, risks inherent with operations in emerging countries, changes to government regulations in the areas of insurance, financing, and business consulting industry, dependence on key personnel, general economic conditions, local economic conditions, interest rates; availability of equity and debt financing, and other risks factors described from time to time in the documents filed by us with applicable securities regulators.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update any forward-looking statement if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

## INFORMATION FOR U.S. SHAREHOLDERS

The Circular relates to the securities of the Company which is a Canadian company. This Circular is subject to disclosure requirements of Canada, which are different from those of the United States. The solicitation of proxies hereby is not subject to the proxy requirement of Section 14(a) of the *U.S. Securities Exchange Act of 1934*, as amended (the "**U.S. Exchange Act**"), by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 under the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable disclosure requirements in Canada. The shareholders in the United States should be aware that such requirements are different than those of the United States. Financial statements included or incorporated by reference in this document have been prepared in accordance with Canadian generally accepted accounting principles, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to the financial statements of United States companies.

The enforcement by investors of civil liabilities under United States securities laws may be affected adversely by the fact that the Company is organized under the laws of Canada, that their officers and directors, respectively, are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States, and that a substantial portion of the assets of the Company and such persons are, or will be, located outside the United States.

## APPOINTMENT AND REVOCATION OF PROXIES

A holder of Common Shares who appears on the records maintained by the Company's registrar and Transfer Agent as a registered holder of Common Shares as at the Record Date (each a "**Registered Shareholder**") may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must, in all cases, deposit the completed form of proxy with the Company's transfer agent and registrar, Odyssey Trust Company, at 1230 – 300 5<sup>th</sup> Avenue SW Calgary, Alberta T2P 3C4 (the "**Transfer Agent**") not later than 2:00 p.m. (Calgary time) on Thursday, June 17, 2021, or, if the Meeting is adjourned or postponed, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

<b>By Mail or Hand Delivery</b>	Odyssey Trust Company 1230- 300-5th Avenue SW, Calgary, AB T2P 3C4
<b>Facsimile:</b>	1-800-517-4553
<b>By Internet</b>	<a href="https://odysseytrust.com/Transfer-Agent/Login">https://odysseytrust.com/Transfer-Agent/Login</a>  You will need to provide your 12 digit control number (located on the form of proxy accompanying this Circular)

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: by (a) depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof, a revocation signed, subject to the *Business Corporations Act* (British Columbia) ("**BCABC**") to (i) the office of the Company, located at 734 – 1055 Dunsmuir Street, Vancouver, BC V7X 1B1, at any time prior to 5:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting or any adjournment or postponement thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof; or (b) any other manner permitted by law.

### **EXERCISE OF DISCRETION BY PROXIES**

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all of the matters set out on the Notice of Meeting. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.

At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### **ADVICE TO NON-REGISTERED SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name.**

Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a non-registered holder (each a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) (a "**Clearing Agency**") of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

#### **Distribution of Meeting Materials to Non-Registered Holders**

In accordance with the requirements of NI 54-101, the Company has distributed copies of the applicable Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**"), and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their Transfer Agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the applicable Meeting Materials directly to you, your name, address and information about your

holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company's OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

### **Voting by Non-Registered Holders**

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, intermediaries or clearing agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

A. Voting Instruction Form. In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a "VIF"). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

B. Form of Proxy. Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

### **Voting by Non-Registered Holders at the Meeting**

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of Registered Shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS**

### **OF VOTING SECURITIES**

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of May 18, 2021, (the “**Record Date**”) there were a total of 80,911,688 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Board of Directors of the Company, the matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

#### **1. RECEIPT OF FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the years ended September 30, 2020 and September 30, 2019, and the reports of the auditor will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at [www.sedar.com](http://www.sedar.com).

#### **2. FIX NUMBER OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of Shareholders or until their successors are elected or appointed. Management proposes, and the Management proxyholders intend to vote in favour of, fixing the number of directors for the ensuing year at three (3), subject to such increases as may be permitted by the Company's Articles (the “Articles”).

The Board recommends that Shareholders vote FOR fixing the number of directors at three (3). Unless authority is withheld, the Management Proxyholders intend to vote FOR fixing the number of directors at three (3) for the ensuing year.

#### **3. ELECTION OF DIRECTORS**

The Board of Directors of the Company currently consists of three (3) directors, all of whom are elected annually. At the Meeting, it is proposed that the three (3) individuals named below be nominated for election as directors of the Company for the ensuing year. Each director elected will hold office until the next annual meeting of shareholders or until their successor is duly elected or appointed pursuant to the articles of the Company, unless their office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (“**BCABC**”) or the Company's Articles.

The following table sets out the names of persons proposed to be nominated by management for election as directors of the Company; all positions and offices in the Company previously held by them; their principal occupation for the last five years; the periods during which they have served as director; and the number of Common Shares beneficially owned or controlled, directly or indirectly, by them or over which control or direction is exercised, as of the date hereof.

Name of proposed director nominee, province or state and country of residence and position, if any, held in the Company	Principal occupation for last five (5) years	Served as Director of the Company Since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled <sup>(1)</sup>
Charlie Lamb <sup>(2)</sup> [Vancouver, BC]  <i>President, Chief Executive Officer, Director</i>	Charlie has over 10 years of experience working as a Canadian corporate and securities lawyer at a large international law firm in New York. With extensive cross-border corporate and securities law experience, Charlie has worked on numerous corporate transactions, including mergers and acquisitions, public and private offerings of securities. From 2019 onwards Mr. Lamb has been a self employed contractor providing services to a number of clients.	July 21, 2020	352,000	0.44%
Brian Keane <sup>(2)</sup> [New York, NY]  <i>Director</i>	Self employed business person.	May 23, 2018	499,060	0.62%
Robert Payment <sup>(2)</sup> [Vancouver, BC]  <i>Director</i>	Self employed business person.	April 26, 2021	352,000	0.44%

**Notes:**

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually. The above information is based upon information supplied by the Transfer Agent and each of the director nominees.
- (2) Member of the Company's Audit Committee.

As at the date hereof, the directors of the Company, as a group, beneficially own, directly or indirectly, 1,203,060 Common Shares or approximately 1.49% of the issued and outstanding Common Shares.

**Proxies received in favour of management will be voted FOR the election of the above named nominees, unless the shareholder has specified in the Proxy that his or her common shares are to be withheld from voting in respect thereof.**

**Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the Proxy that his or her common shares are to be withheld from voting in respect of the election of directors.**

## **Corporate Cease Trade Orders or Bankruptcies**

To the best of the Company's knowledge, other than disclosed below, none of the Company's directors, officers, proposed directors or shareholders holding a sufficient number of securities of the Company to materially affect the control of the Company, is or during the ten (10) years preceding the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

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

Mr. Brian Keene was appointed to Callitas Health Inc. in December 2020 while that Company was under a Cease trade order issued in July of 2019. The Company was cited for failure to file financial statements and is currently still cease traded.

No proposed director, within ten (10) years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

## **Personal Bankruptcies**

To the best of the Company's knowledge, no director, officer, proposed director, or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company have, within the ten (10) years before the date of this Circular, 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 such individual.

## **Penalties and Sanctions**

To the best of the Company's knowledge, no director, officer, proposed director, or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company have, within ten (10) years before the date of this Circular have 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 been subject to 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.

## **4. APPOINTMENT OF AUDITORS**

The Company's auditor is Davidson & Company LLP, Chartered Professional Accountants ("**Davidson**") of 1200 – 609 Granville Street, Vancouver, BC V7Y 1G6, and will be nominated at the Meeting for re-appointment as auditor of the Company. Davidson was first appointed as auditor of the Company on December 7, 2018 .

At the Meeting, shareholders will therefore be asked to vote for the reappointment of Davidson, Chartered Professional Accountants, Vancouver, British Columbia, as auditors of the Company until the close of the next annual general meeting, at such remuneration as may be approved by the Board of Directors of the Company.

**Proxies received in favour of management will be voted FOR the re-appointment of Davidson & Company LLP, Chartered Professional Accountants as auditor of the Company to hold office until the next annual meeting of shareholders and the authorization of the directors to fix their remuneration, unless the shareholder has specified in the Proxy that his or her common shares are to be withheld from voting in respect thereof.**

## 5. APPROVE THE PROPOSED 20% STOCK OPTION PLAN

The Company wishes to propose the adoption of a 20% rolling stock option plan (the “20% Option Plan”), whereby the aggregate number of common shares reserved for issuance, together with any other common shares reserved for issuance under any other plan or agreement of the Company, shall not exceed twenty percent (20%) of the total number of issued common shares (calculated on a non-diluted basis) at the time an option is granted. If passed the proposed 20% rolling plan will replace the existing 10% rolling stock option plan as previously approved by shareholders. A copy of which is attached hereto as Appendix “B”

The purpose of the Option Plan is to, among other things, encourage Share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons. Options may be granted under the Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the board of directors of the Company.

Any Shares subject to an option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Option Plan. The option price of any Shares cannot be less than the market price of the Shares.

Options granted under the Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee’s employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable.

The Option Plan contains provisions for adjustment in the number of Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Company’s capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Option Plan or may terminate the Option Plan at any time. The Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Option Plan.

**AT THE MEETING, SHAREHOLDERS WILL BE ASKED TO PASS THE FOLLOWING ORDINARY RESOLUTION TO RATIFY, CONFIRM AND APPROVE THE OPTION PLAN: “RESOLVED that the Company’s 20% rolling stock option plan dated for reference May 18, 2021, be and is hereby ratified, confirmed and approved until the next annual general meeting of the Company.”**

An ordinary resolution is a resolution passed by a majority of at least 50% of the votes cast by those Shareholders, who being entitled to do so, vote in person or by proxy in respect of that resolution at the Meeting.

**Management of the Company recommends that the shareholders vote in favour FOR the approval of the 20% Rolling Option Plan. It is the intention of persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Option Plan.**

## 6. ADVANCE NOTICE PROVISION

Having adopted the Advance Notice Policy, the Board of Directors are proposing that the Articles of the Corporation be altered to include an advance notice provision (the "Advance Notice Provision"), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all Shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; (iii) allow the Corporation and Shareholders to evaluate all nominees' qualifications and suitability as a director of the Corporation; and (iv) allow Shareholders to register an informed vote.

The full text of the proposed alteration of the Articles to include the Advance Notice Provision is set out in Appendix "C" hereto.

### *Purpose of the Advance Notice Provision*

The purpose of the Advance Notice Provision is to provide Shareholders, directors and management of the Corporation with guidance and direction on the procedure for Shareholder nomination of directors. The Advance Notice Provision is the framework by which the Corporation seeks to fix a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

### *Effect of the Advance Notice Provision*

Subject only to the *Business Corporations Act* (British Columbia) (the "Act") and the Articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board of Directors or an authorized officer of the Corporation, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or (c) by any person (a "Nominating Shareholder"): (i) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth in the Advance Notice Provision. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above, or otherwise waive the application, in whole or in part, of the Advance Notice Provisions. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (iv) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such

determination; and (v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in the Advance Notice Provision in Schedule "C" hereto). In addition, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth: (i) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in the Advance Notice Provision in Schedule "C" hereto); and (ii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded. The Advance Notice Provision will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

#### *Shareholder Confirmation*

Under the Articles of the Corporation and the Act, the alteration of the Corporation's Articles requires the approval of more than two-thirds of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Corporation by a special resolution. Accordingly, Shareholders will be asked at the Meeting to vote on a special resolution, the text of which is contained below (the "Advance Notice Provision Resolution"), to approve the alteration of the Articles of the Corporation to include the Advance Notice Provision.

#### *Recommendation of the Board*

The Board of Directors has concluded that the Advance Notice Provision is in the best interests of the Corporation and the Shareholders. Accordingly, the Board of Directors unanimously recommends that the Shareholders ratify, confirm and approve an alteration of the Corporation's Articles by voting FOR the Advance Notice Provision Resolution at the Meeting. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the Advance Notice Provision Resolution.**

At the Meeting, Shareholders will be asked to vote on the following special resolution, with or without variation:

#### **"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the Articles of the Corporation be altered by adding the text substantially as set forth in Schedule "C" to this management information circular and proxy statement of the Corporation dated May 18, 2021 as Article 14.12 of the Articles;
2. the Corporation be authorized to revoke this special resolution and abandon or terminate the alteration of the Articles if the Board of Directors deems it appropriate and in the best interest of the Corporation to do so without further confirmation, ratification or approval of the shareholders; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing special resolutions."

## 7. OTHER MATTERS

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

### STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officers of the Company whose total compensation was more than \$150,000 for the financial years of the Company ended September 30, 2020 and September 30, 2019 (collectively, the "Named Executive Officers") and for the directors of the Company.

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V – Statement of Executive Compensation – Venture Issuers.

The following table provides a summary of compensation paid, directly or indirectly, for the two most recently completed financial years (in USD) to the Named Executive Officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation(\$)	Total compensation (\$)
Charlie Lamb <sup>(2)</sup> <i>President, COO, CEO, Director</i>	2020	44,412	40,370	-	-	17,586	102,368
	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Robert Payment <sup>(3)</sup> <i>CFO, Director</i>	2020	42,391	-	-	-	17,586	59,977
	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Brian Keane <sup>(4)</sup> <i>Director</i>	2020	30,000	-	-	-	17,586	47,586
	2019	60,000	-	-	-	60,595	120,595
	2018	-	-	-	-	-	-
Michael Young <sup>(5)</sup> <i>Former Director</i>	2020	5,000	-	-	-	-	5,000
	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Chris Backus <sup>(6)</sup> <i>Former CEO, former Director</i>	2020	142,293	42,053	-	-	27,635	211,981
	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Michael Hopkinson <sup>(7)</sup> <i>Former CFO</i>	2020	2,975	-	-	-	-	2,975
	2019	20,000	-	-	-	33,450	53,450
	2018	-	-	-	-	-	-
Kevin Ernst <sup>(8)</sup> <i>Former Director</i>	2020	7,500	-	-	-	-	7,500
	2019	50,000	-	-	-	54,289	104,289
	2018	-	-	-	-	-	-
David Parchomchuk <sup>(9)</sup> <i>Former Director</i>	2020	18,593	-	-	-	10,049	28,642
	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-

**TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES<sup>(1)</sup>**

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation(\$)	Total compensation (\$)
Cody Corrubia Former CEO, former Director	2020	-	-	-	-	-	-
	2019	170,000	-	-	-	21,788	191,788
	2018	-	-	-	-	-	-
Paul Chu Former CEO, former Director	2020	-	-	-	-	-	-
	2019	103,965	-	-	-	186,556	290,521
	2018	-	-	-	-	-	-

**Notes:**

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) Mr. Charlie Lamb was appointed as COO and to the board of directors effective January 13, 2020 and he resigned on March 10, 2020. Mr. Lamb was re-appointed as COO and to the board on July 21, 2020, and elected as President and CEO effective July 22, 2020.
- (3) Mr. Robert Payment was appointed CFO on March 25, 2020.
- (4) Mr. Brian Keane was appointed to the board effective May 23, 2018.
- (5) Mr. Michael Young was appointed to the board on July 24, 2020.
- (6) Mr. Chris Backus was appointed to the Board on April 5, 2019, and as interim President and CEO on May 1, 2019. Mr. Backus was confirmed as President and CEO on July 2, 2019, and he resigned from all positions effective July 22, 2020.
- (7) Mr. Michael Hopkinson was elected CFO on April 25, 2018 and resigned on March 25, 2020.
- (8) Mr. Kevin Ernst was appointed as a director on November 1, 2018, and resigned from the board on January 13, 2020.
- (9) Mr. David Parchomchuk was appointed to the board on March 10, 2020, and resigned effective July 24, 2020.

**Stock Options and Other Compensation Securities**

The following table provides a summary of all compensation securities granted or issued to each Named Executive Officer and to each director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and % of class	Date of issue or grant	Issue, conversion or exercise price (CAD \$)	Expiry date
Charlie Lamb <i>President, CEO, COO and Director</i>	Stock Options	280,000	March 25, 2020	0.156	March 25, 2025
	Stock Options	800,000	March 9, 2021	0.071	March 9, 2026
Robert Payment <i>CFO, Director</i>	Stock Options	280,000	March 25, 2020	0.156	March 25, 2025
	Stock Options	600,000	March 9, 2021	0.071	March 9, 2026
Brian Keane <i>Director</i>	Stock Options	280,000	March 25, 2020	0.156	March 25, 2025
	Stock Options	200,000	March 9, 2021	0.071	March 9, 2026

**Notes:**

- (1) Mr. Lamb was appointed as Chief Executive Officer on July 22, 2020. As at September 30, 2020, Mr. Lamb holds 1,080,000 fully vested options.
- (2) Mr. Payment was appointed as Chief Financial Officer on March 25, 2020 and was appointed as Director April 26, 2021. Mr. Payment holds 880,000 fully vested options.
- (3) Mr. Keane was appointed as a director on May 23, 2018 and holds 480,000 fully vested options.

## Employee Share Purchase Plan

The Company has in place an employee share purchase plan (the "**Employee Share Purchase Plan**") which was approved by the shareholders on March 31, 2015.

The purpose of the Employee Share Purchase Plan is to, among other things, advance the interests of the Company by encouraging its employees, directors and officers ("**Eligible Employees**") to invest in Common Shares, thereby increasing the proprietary interests of such Eligible Employees in the Company and aligning the interests of such Eligible Employees with the interests of the Company's shareholders generally. Under the Employee Share Purchase Plan, the Board (or a committee thereof) has authority to select Eligible Employees, who may participate in the Employee Share Purchase Plan. The Company will match the contribution of the Eligible Employee, which is limited to 10% of the basis annual remuneration of the Eligible Employee, on a quarterly basis. Each Eligible Employee will receive Common Shares having a value equal to the aggregate amount contributed to the Employee Share Purchase Plan by the Eligible Employee and the Company or through treasury issuances or market purchases. The purchase price per Common Share will be the weighted average price of the Common Shares on the Canadian Securities Exchange for the calendar quarter in respect of which the Common Shares are issued. These Common Shares will either be issued from treasury or acquired through market purchases and delivered to Eligible Employees 12 months after their date of issue or purchase, as applicable (or a later date if required by applicable laws, regulations or listing requirements). The maximum number of Common Shares made available for the Employee Share Purchase Plan may be determined from time to time by the Board (or committee thereof) but, in any case, is limited to 5% of the Common Shares issued and outstanding.

## Employment, Consulting and Management Agreements

The Company has entered the following consulting agreements with its Chief Executive Officer and Chief Financial Officer:

**Charlie Lamb (President & CEO)** - The Company entered an agreement with Charlie Lamb, as its President and Chief Executive Officer for a base monthly fee of CAD \$15,500 per month (the "**CEO Agreement**").

In the event of termination without cause, Mr. Lamb is entitled to receive a lump sum payment of twelve (12) months fees payable under the CEO Agreement. If a change of control event occurs, a one-time lump sum chase payment in an amount equaling twelve (12) months of the base monthly fee shall be payable.

**Robert Payment (CFO)** - The Company entered an agreement with Robert, as its Chief Financial Officer for a base monthly fee of CAD \$12,000 per month (the "**CEO Agreement**").

In addition to the base monthly fee the following bonus shares are payable under the CEO agreement:

- i) Upon the Corporation generating gross revenue of CAD \$5,000,000 from all activities, as evidenced by applicable publicly disclosed interim or annual financial statements, the Employee shall be entitled to CAD \$298,000 of bonus shares.

In the event of termination without cause, Mr. Payment is entitled to receive a lump sum payment of twelve (12) months fees payable under the CEO Agreement. If a change of control event occurs, a one-time lump sum chase payment in an amount equaling twelve (12) months of the base monthly fee shall be payable.

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

### **Compensation of Directors**

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the two most recently completed financial years for their services in their capacity as directors of the Company.

### **Compensation of Named Executive Officers**

#### *Principles of Executive Compensation*

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

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

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

#### *Base Salary*

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers of the Company is consistent with the administration of salaries for all other employees.

## Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

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

### *Compensation and Measurements of Performance*

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

### *Long Term Compensation*

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

## **Pension Disclosure**

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

## **Termination and Change of Control Benefits**

The Company has not provided compensation, monetary or otherwise, during the two preceding fiscal years, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. The Company is not party to any compensation plan or arrangement with Named Executive Officers or directors of the Company resulting from the resignation, retirement or the termination of employment of such person.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of September 30, 2020:

### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#) <sup>(1)</sup>
Equity compensation plans approved by securityholders	3,944,000	0.156	559,968
Equity compensation plans not approved by securityholders	NA	NA	NA
Total	3,944,000	0.156	559,968

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, nor any informed person of the Company, any proposed director of the Company or associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### AUDIT COMMITTEE

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the Circular sent to shareholders in connection with the Meeting. The Company is a "venture issuer" for the purposes of NI 52-110.

The full text of the charter of the Company's Audit Committee is attached hereto as Appendix "A".

### Composition of the Audit Committee

At present, the Audit Committee consists of Charlie Lamb, Michael Young and Brian Keane. Michael Young and Brian Keane are independent within the meaning of that term as defined in NI 52-110 and each member of the Audit Committee is financially literate.

## Relevant Education and Experience

The education of each of the members of the Audit Committee is set out in this Circular. Each of the members has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required.

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- 1 an understanding of the accounting principles used by the Company to prepare its financial statements;
- 2 the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- 3 experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
- 4 an understanding of internal controls and procedures for financial reporting.

### *Charlie Lamb, President, CEO and Director*

Charlie has over 12 years of experience working as a Canadian corporate and securities lawyer at a large international law firm in New York. With extensive cross-border corporate and securities law experience, Charlie has worked on numerous corporate transactions, including mergers and acquisitions, public and private offerings of securities for investment funds, private equity funds and other alternative investment vehicles in the Canadian markets. He also has significant experience advising broker dealers, advisers and investment fund managers on Canadian compliance issues.

Charlie graduated from University of Victoria, British Columbia and is a member of the Law Society of Upper Canada. The Canadian Bar Association and the American Bar Association. He has resided in New York since 2009.

### *Robert Payment, CFO and Director*

Robert is a Chartered Professional Accountant with 14 years' experience in finance, reporting, regulatory requirements, public company administration, equity markets, and financing of publicly traded companies.

Robert has extensive experience in the manufacturing, natural resource, and retail industries. He received a BBA from Simon Fraser University and is a member in good standing of the Chartered Professional Accountants of British Columbia.

### *Brian Keane, Director*

Mr. Keane has over 18 years of capital markets, investing and C- level consulting experience in over 100 emerging growth companies in the US, Canada, Caribbean and Asia, transacting over \$2 billion in deal value. His previous Wall Street experience includes: Rodman & Renshaw, LLC, Ladenburg Thalmann & Co, TechVest, & Qualified Capital where he focused on life science, biotech, mining and emerging growth companies. He earned a BS from University of Scranton and a JD from New York Law School.

## Audit Committee Oversight

At no time during the financial years ended September 30, 2020 nor September 30, 2019, was any recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

## Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- 1 the exemption in section 2.4 (*De Minimis Non-audit Services*) of MI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or
- 2 an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (Exemptions) of NI 52-110.

The Company is relying upon the exemption set out in Section 6.1 of NI 52-110 that provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

## Pre-Approval Policies and Procedures

As of the date hereof, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services as described in the Charter attached hereto as Appendix "A".

## External Auditor Services Fee (By Category)

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended September 30, 2020 and September 30, 2019:

	Audit Fees (\$)	Audit Related Fees (\$)	Tax Fees (\$)	Other Fees (\$)
For the year ended 2020	70,000	7,500	4,500	Nil
For the year ended 2019	85,000	12,500	6,000	Nil
For the year ended 2018	12,600	Nil	Nil	Nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.

## REPORT ON GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 - Disclosure of Corporate Governance Practices and National Policy 58-201 – Corporate Governance Guidelines (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company's approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

### Board of Directors

The Board is currently composed of three (3) directors, namely Charlie Lamb, Robert Payment, and Brian Keane.

Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer.

Accordingly, of the proposed nominees, Charlie Lamb, Chief Executive Officer and President of the Company, is not considered "independent". The remaining two (2) proposed directors, Brian Keane and Michael Young are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.

### Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Charlie Lamb	None
Brian Keane	Codebase Ventures Inc., Callista Health Inc.
Robert Payment	None

### Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business.

## **Ethical Business Conduct**

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

## **Nomination of Directors**

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board of directors are reviewed by the entire Board.

## **Other Board Committees**

The Board performs the functions of an Executive Committee, a Nominating Committee, a Disclosure Policy Committee, a Technical Committee and a Corporate Governance Committee, however, the Board may appoint a number of directors, the majority of whom are independent, and to act on issues related to the above on an as needed basis.

## **Assessments**

Currently the Board has not implemented a formal process for assessing directors.

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

Other than set forth in this Circular, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of the Company's last financial year or any proposed nominee for election as a director, or any associate or affiliate of any of those foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors and the appointment of auditors.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company, including information regarding the Company's financial statements and the management's discussion and analysis for its most recently completed financial year may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders of the Company may contact the Company to request copies of this Circular which will be sent to the shareholder without charge upon request.

## **APPROVAL OF THE BOARD OF DIRECTORS**

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

DATED at Vancouver, British Columbia on the 7<sup>th</sup> day of May, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Charlie Lamb*"

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**Charlie Lamb**  
**President and CEO**

## APPENDIX "A"

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

#### 1 Mandate

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

#### 2 Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

##### 2.1 *Independence*

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

##### 2.2 *Expertise of Committee Members*

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

#### 3 Meetings

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

#### 4 Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

##### 4.1 *External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

#### 4.2 *Internal Control*

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

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

#### 4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.
- (c) Annual Financial Statements
- (d) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (e) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (f) review management's discussion & analysis respecting the annual reporting and provide a recommendation to the Board with respect to approval.

##### *Interim Financial Statements*

- (g) review the draft interim financial statements and provide a recommendation to the Board with respect to the approval of the financial statements; and
- (h) review management's discussion & analysis respecting the interim reporting period and provide a recommendation to the Board with respect to approval.

##### *Release of Financial Information*

- (i) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

#### 4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee, unless such non-audit services are reasonably expected to constitute not more than 5% of the total fees paid by the Company to the independent auditor during the particular fiscal year.

### *Delegation of Authority*

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

#### *De-Minimis Non-Audit and Non-Tax Services*

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

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

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit and non-tax services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

### 4.5 *Other Responsibilities*

The audit committee shall:

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

### 4.6 *Reporting Responsibilities*

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

## **5 Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

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

## **6 Guidance - Roles & Responsibilities**

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

### **6.1 Internal Control**

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

### **6.2 Financial Reporting**

#### *General*

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

#### *Annual Financial Statements*

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

#### *Interim Financial Statements*

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

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

#### 6.3 *Compliance with Laws and Regulations*

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

#### 6.4 *Other Responsibilities*

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

**APPENDIX "B"**  
**STOCK OPTION PLAN**

# **POTENT VENTURES INC.**

## **2021 Stock Option Plan**

Approved by the board of directors effective April 30, 2021

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## **2021 STOCK OPTION PLAN**

### **SECTION 1 DEFINITIONS AND INTERPRETATION**

#### **1.1 Definitions**

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) "Administrator" means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the committee itself.
- (b) "Associate" means, where used to indicate a relationship with any person:
  - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
  - (ii) any partner, other than a limited partner, of that person;
  - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
  - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) "Black-Out" means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (d) "Board" means the board of directors of the Company.
- (e) "Change of Control" means an occurrence when either:
  - (i) a Person or Entity, other than the current "control person" of the Company (as that term is defined in the Securities Act), becomes a "control person" of the Company; or
  - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.
- (f) "Committee" means a committee of the Board appointed in accordance with this Plan or if no such committee is appointed, the Board itself.
- (g) "Company" means Potent Ventures Inc.

- (h) "Consultant" means an individual who:
- (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a "distribution" (as that term is described in the Securities Act);
  - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
  - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (v) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a "Consultant Entity"); or
  - (vi) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (i) "CSE" means the Canadian Securities Exchange.
- (j) "Disability" means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.
- (k) "Employee" means:

- (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or
- (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (iii) a corporation wholly-owned by such individual; and
- (iv) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.

- (l) "Executive" means an individual who is a director or officer of the Company or a Subsidiary, and includes:
  - (i) a corporation wholly-owned by such individual; and
  - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (m) "Exercise Notice" means the written notice of the exercise of an Option, in the form set out as Schedule "B" hereto, duly executed by the Option Holder.
- (n) "Exercise Period" means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has Vested pursuant to the terms and conditions of this Plan and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (o) "Exercise Price" means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (p) "Expiry Date" means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.
- (q) "Expiry Time" means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- (r) "Grant Date" means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (s) "Insider" means an insider as that term is defined in the Securities Act;
- (t) "Option" means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (u) "Option Certificate" means the agreement, in substantially the form set out as Schedule "A" hereto, evidencing the Option.
- (v) "Option Holder" means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (w) "Outstanding Issue" means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (x) "Person or Entity" means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.

- (y) "Personal Representative" means:
- (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (z) "Plan" means this stock option plan as from time to time amended.
- (aa) "Regulatory Approvals" means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (bb) "Regulatory Authorities" means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (cc) "Regulatory Rules" means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (dd) "Securities Act" means the Securities Act (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (ee) "Share" or "Shares" means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (ff) (ff) "Subsidiary" means a wholly-owned or controlled subsidiary corporation of the Company.
- (gg) "Triggering Event" means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
  - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
  - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
  - (iv) a proposed Change of Control of the Company;
  - (i) the proposed sale or other disposition of all or substantially all of the assets of the Company;  
or

(ii) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.

(hh) "Vest" or "Vested" or "Vesting" means that portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

## **1.2 Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws in any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

## **1.3 Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

# **SECTION 2 GRANT OF OPTIONS**

## **2.1 Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

## **2.2 Record of Option Grants**

The Administrator shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the Vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

### **2.3 Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan.

## **SECTION 3 PURPOSE AND PARTICIPATION**

### **3.1 Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants, to incent such individuals to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

### **3.2 Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants, if any, to whom Options are to be granted.

### **3.3 Limits on Option Grants**

The following limitations shall apply to the Plan and all Options thereunder:

- (a) the maximum number of Shares which may be reserved for issuance to any one Option Holder under the Plan shall be subject to applicable Regulatory Rules; and
- (b) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;

and such limitation will not be an amendment to this Plan requiring the Option Holders consent under section 9.2 of this Plan.

### **3.4 Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

### **3.5 Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

**3.6 No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options granted under this Plan.

**3.7 Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

**3.8 Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

**SECTION 4  
NUMBER OF SHARES UNDER PLAN**

**4.1 Number of Shares**

Subject to adjustment as provided for herein, the aggregate number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan will not exceed 20% of the number of Shares which are issued and outstanding on the particular Grant Date. If any Option is exercised, expires or otherwise terminates for any reason, the number of Shares in respect of such exercised, expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

**4.2 Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

**SECTION 5  
TERMS AND CONDITIONS OF OPTIONS**

**5.1 Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate

issued in respect of such Option.

## **5.2 Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee, subject to CSE policies while the Company's Shares are listed on the CSE, and shall be set out in the Option Certificate issued in respect of the Option. As of the date hereof, CSE policies mandate that total number of Shares (either issued directly or issuable on exercise of options or convertible securities) to persons providing Investor Relations Activities (as defined in CSE policies) cannot exceed 1% of the Outstanding Issue in any 12-month period.

## **5.3 Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the price determined in accordance with CSE policies while the Company's Shares are listed on the CSE. As of the date hereof, CSE policies mandate that the Exercise Price must be no less than the greater of the closing market prices of the Shares on (a) the trading day prior to the date of grant of the Option, and (b) the date of grant of the Option.

## **5.4 Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time. The Expiry Date of an Option shall be the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate or, if no such date is set out in for the Option Certificate the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise expressly provided for in the Option Certificate or otherwise agreed to at any time by the Board, the 90th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
  - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
  - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant, other than an Option Holder who is engaged in investor relations activities, and such Option Holder ceases to hold such position other than by reason of death or

Disability, the Expiry Date of the Option shall be, unless otherwise expressly provided for in the Option Certificate or otherwise agreed to at any time by the Board, the 90th day following the date the Option Holder ceases to hold such position, or, in the case of an Option Holder that is engaged in investor relations activities, the 30th day after the date such Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning or terminating his or her position; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

#### **5.5 Vesting of Option and Acceleration**

The Vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the Vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan, subject to the limitation under subsection 3.3.

#### **5.6 Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

### **SECTION 6 TRANSFERABILITY OF OPTIONS**

#### **6.1 Non-transferable**

Except as provided otherwise in this Section 6, expressly waived by the Committee, or expressly set out in an

Option Certificate, Options are non-assignable and non-transferable.

## **6.2 Death of Option Holder**

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of six months following the date of death and the applicable Expiry Date.

## **6.3 Disability of Option Holder**

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of six months following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

## **6.4 Disability and Death of Option Holder**

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within six months after the termination of such engagement, any Vested Options at the time an Option Holder ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary which remains exercisable may be exercised in accordance with its terms by the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of six months following the death of such Option Holder and the applicable Expiry Date.

## **6.5 Vesting**

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to Vest in accordance with any Vesting schedule to which such Options are subject.

## **6.6 Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

# **SECTION 7 EXERCISE OF OPTION**

## **7.1 Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder.

An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time by delivering to the Administrator the required Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during Black-Out unless the Committee determines otherwise. Notwithstanding any other provision of this Plan, the Exercise Period of Options that would expire during a Black-Out shall be extended to the date that is 10 business days following the expiry of the applicable Black-Out.

## **7.2 Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate (or DRS) for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Share certificate (or DRS).

## **7.3 No Rights as Shareholder**

Until the date of the issuance of the certificate (or DRS) for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificate (or DRS), the decision of the Committee shall be final, conclusive and binding.

## **7.4 Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

## **SECTION 8 ADMINISTRATION**

### **8.1 Board or Committee**

The Plan shall be administered by the Board, by a Committee of the Board appointed in accordance with section 8.2 below, or by an Administrator appointed in accordance with subsection 8.4(b).

### **8.2 Appointment of Committee**

The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.

### **8.3 Quorum and Voting**

A majority of the members of the Committee shall constitute a quorum and, subject to the limitations in this Section 8, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of Options pursuant to the Plan, except that no such member shall act upon the granting of an Option to himself or herself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to that member). The Committee may approve matters by written resolution signed by a majority of the quorum.

### **8.4 Powers of Committee**

The Committee (or the Board if no Committee is in place) shall have the authority to do the following:

- (a) administer the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;

- (g) do the following with respect to the granting of Options:
  - (i) determine the Executives, Employees, Consultants or service providers to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
  - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Dates, Exercise Price and Vesting schedule (which need not be identical with the terms of any other Option);
  - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
  - (iv) determine when Options shall be granted; and
  - (v) determine the number of Shares subject to each Option;
- (h) accelerate the Vesting schedule of any Option previously granted, subject always to the limitation in subsection 3.3; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

#### **8.5 Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

#### **8.6 Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

### **SECTION 9 APPROVALS AND AMENDMENT**

#### **9.1 Shareholder Approval of Plan**

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of a majority of the votes cast at a meeting of the shareholders of the Company or by a majority of votes cast by disinterested shareholders at a meeting of shareholders of the Company. Any Options granted under this Plan will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

## **9.2 Amendment of Option or Plan**

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company.

## **SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES**

### **10.1 Compliance with Laws**

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificate (or DRS) representing such Shares accordingly.

### **10.2 Obligation to Obtain Regulatory Approvals**

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

### **10.3 Inability to Obtain Regulatory Approvals**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

**SECTION 11**  
**ADJUSTMENTS AND TERMINATION**

**11.1**            **Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan.

**11.2**            **No Grant During Suspension of Plan**

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

**11.3**            **Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company.

Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of Section 9.2 of this Plan.

**11.4**            **Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive

stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

**11.5 Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the Vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent Vesting provision to which such Options may have otherwise been subject.

**11.6 Determinations to be Made by Committee**

Adjustments and determinations under this Section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

## Appendix "C"

### ALTERATIONS TO ARTICLES – ADVANCE NOTICE PROVISION

#### Nomination of Directors

- 14.12 (a) Subject only to the Business Corporations Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):
- (i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act; or
  - (iii) by any person (a "Nominating Shareholder"): (a) who, at the close of business on the date of the giving of the notice provided for below in this Article 14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (b) who complies with the notice procedures set forth below in this Article 14.12.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this Article 14.12.
- (c) To be timely under Article 14.12 (b), a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
  - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- (d) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under Article 14.12 (b) must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (d) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination, and (e) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below); and
  - (ii) as to the Nominating Shareholder giving the notice: (a) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws, and (b) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.
  - (iii) The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(e) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act*. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(f) For purposes of this Article 14.12:

- (i) "Affiliate", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
- (ii) "Applicable Securities Laws" means the Securities Act (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;
- (iii) "Associate", when used to indicate a relationship with a specified person, shall mean: (a) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (b) any partner of that person, (c) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (d) a spouse of such specified person, (e) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (f) any relative of such specified person or of a person mentioned in clauses (d) or (e) of this definition if that relative has the same residence as the specified person;
- (iv) "Derivatives Contract" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;
- (v) "meeting of shareholders" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;
- (vi) "owned beneficially" or "owns beneficially" means, in connection with the ownership of shares in the capital of the Company by a person, (a) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (b) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (c) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (c) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (d) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and
- (vii) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

(g) Notwithstanding any other provision to this Article 14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(h) In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in this Article 14.12.

(i) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Article.