

HOLLY STREET CAPITAL LTD.
c/o 1500 – 1055 West Georgia Street
Vancouver, British Columbia V6E 4N7

MANAGEMENT PROXY CIRCULAR
as at December 16, 2020 *except as otherwise indicated*

This Management Proxy Circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of Holly Street Capital Ltd. (the “Corporation”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on January 25, 2021 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Circular, references to the “Corporation”, “we” and “our” refer to **Holly Street Capital Ltd.** “Common Shares” means common shares without par value in the capital of the Corporation. “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. “Registered Shareholders” means shareholders who hold Common Shares registered in their own name. “Shareholders” means all shareholders who hold Common Shares.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors and officers of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy” or “form of proxy”) are officers and directors of the Corporation. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so using one of the following methods:

- (a) complete, date and sign the Proxy and return it to the Corporation's transfer agent, Olympia Trust Company ("**Olympia**"), by fax at (403) 668-8307, or by mail to PO Box 128, STN M, Calgary, Alberta T2P 2H6 or by hand delivery at #1900, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2;
- (b) use a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Corporation's transfer agent at <https://css.olympiatrust.com/pxlogin>. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In each of the above cases Registered Shareholders must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof.

Beneficial Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing process and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBOs**") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to the issuers of the securities they own knowing who they are.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") the Corporation distributes copies of the Notice of Meeting, this Circular and the Proxy (collectively, the "**Meeting materials**") to the depository and intermediaries for onward distribution to Beneficial Shareholders. The Corporation does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of Common Shares. If you are a Beneficial Shareholder, and the Corporation or its agent sent these materials to you directly, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements by the intermediary holding securities on your behalf. Management of the Corporation does not intend to pay for intermediaries to forward the Meeting materials to OBOs, so OBOs will not receive the Meeting materials unless their intermediary assumes the cost of delivery.

If you are a Beneficial Shareholder:

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of the proxy provided by the Corporation. The VIF will name the same persons as are named on the Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge will then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any Shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting to vote your Common Shares.**

Notice to Shareholders in the United States

The solicitation of proxies is not subject to the requirements of Section 14(a) of the 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 of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Corporation’s shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning the Corporation has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Corporation’s Shareholders who are resident in, or citizens of, the United States may not be described fully in this Circular.

The enforcement by the Corporation's Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated or organized under the laws of a foreign country, that all of their officers and directors named herein are residents of a foreign country and that the major assets of the Corporation are located outside the United States.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Olympia or at the address of the registered office of the Corporation at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than: (i) the election of directors; (ii) the approval of the Option Plan (as defined herein); (iii) the removal of the consequences applicable to the Corporation if it fails to complete a Qualifying Transaction within 24 months after the date of listing with the Exchange; and (iv) the amendment of the Escrow Agreement (as defined herein).

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Corporation has fixed December 16, 2020 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy or VIF in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

Holly Street Capital Ltd. was incorporated on July 31, 2019 under the *Business Corporations Act* (British Columbia). The Corporation is a Capital Pool Company as defined in the CPC Policy (as defined herein).

Going Public Transaction

On December 17, 2019, the Corporation completed a public offering of Common Shares by way of prospectus offering (the "**Prospectus Offering**"). Following closing of the Prospectus Offering, the Corporation listed its Common Shares for trading on the TSX Venture Exchange (the "**TSXV**" or the "**Exchange**"). The Common Shares began trading as a Capital Pool Company on the Exchange under the symbol "**HSC.P**" on December 19, 2019.

The Corporation is authorized to issue an unlimited number of Common Shares. As of December 16, 2020, there were 7,510,000 Common Shares issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

Escrow Shares

As at December 16, 2020 there were 2,000,000 shares held in escrow under Form 2F CPC Escrow Agreement dated November 29, 2019.

No Principal Holders of Voting Securities

To the knowledge of the directors and executive officers of the Corporation, only the following person beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares as at December 16, 2020.

Shareholder Name	Number of Common Shares Held⁽¹⁾	Percentage of Issued Common Shares
Joel Freudman	1,000,000	13.32%

Notes:

(1) The above information has been furnished from the insider reports available at www.SEDI.ca.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the fiscal years ended September 30, 2020 and September 30, 2019, the reports of the auditor thereon, and the related management discussion and analysis will be tabled at the Meeting and will be available at the Meeting. These documents will be available on the Corporation's SEDAR profile at www.sedar.com. Additional information relating to these documents may be obtained by the Shareholder upon request without charge by contacting the Corporation's Chief Executive Officer c/o McMillan LLP, 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia V6E 4N7.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein.

If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The term of office of each of the three (3) current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("the **BCBCA**"), each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected. The Shareholders will be asked at the Meeting to approve a resolution to determine that the number of directors to be elected at the Meeting be three.

The following table sets out the names of management's three (3) nominees for election as director, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the last five years for each director nominee), the period of time during which each has been a director of the Corporation and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, at December 16, 2020.

Name of Nominee; Current Position with the Corporation and Province and Country of Residence	Period as a Director of the Corporation	Principal Occupations in Past Five Years⁽¹⁾	Common Shares Beneficially Owned or Controlled⁽¹⁾
Trumbull Fisher⁽⁵⁾ Director Toronto, ON Canada	Since July 31, 2019	Co-founder of the Casimir Capital Trading Desk; co-founder of Sui Generis; head of trading at Forge First Asset Management; former President of New Wave Holdings Corp.	500,000 ⁽²⁾
Joel Freudman⁽⁵⁾ CEO and Director Toronto, ON Canada	Since July 31, 2019	President of Resurgent Capital Corp. (capital markets), 2016 - present; Legal Counsel at Industrial Alliance Insurance and Financial Services Inc., 2015 - 2017	1,000,000 ⁽³⁾
Damian Lopez⁽⁵⁾ Director Toronto, ON Canada	Since July 31, 2019	CEO of Flora Growth Corp, a private vertically integrated cannabis company from 2019 to present and lawyer at Damian Lopez Professional Consulting Corporation from August 2015 to present.	200,000 ⁽⁴⁾

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
2. Lincoln Hold Co. Ltd., a corporation owned and controlled by Trumbull Fisher, holds these Common Shares. Mr. Fisher also personally holds options to purchase 112,500 Common Shares at \$0.10 each, expiring December 17, 2029.
3. Mr. Freudman also holds options to purchase 112,500 Common Shares at \$0.10 each, expiring December 17, 2029.
4. Mr. Lopez also holds options to purchase 112,500 Common Shares at \$0.10 each, expiring December 17, 2029.
5. Member of Audit Committee.

None of the nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Corporation acting solely in such capacity.

Penalties, Sanctions, Cease Trade Orders, Bankruptcies Etc.

Other than as disclosed herein, no proposed director is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation, in respect of which this Circular is being prepared) that:

- a. was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- b. was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- c. while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- d. has, 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 the proposed director.

Disclosure

Damian Lopez was a director of Braingrid Limited, a Canadian Securities Exchange (“CSE”) listed company, which was cease-traded on July 24, 2020 for failing to file its financial statements. The applicable financial statements were subsequently filed and the cease trade order was lifted.

Trumbull Fisher was a director of Tantalex Resources Corporation (“Tantalex”), a CSE listed company. Tantalex was subject to a cease trade order issued by the Ontario Securities Commission on August 19, 2020 relating to the failure to file its audited annual financial statements, the annual management’s discussion and analysis and the certification of annual filings for the year ended February 29, 2020 (the “2020 Annual Financial Statements”). Tantalex filed its 2020 Annual Financial Statements on November 6, 2020. The Ontario Securities Commission revoked its cease trade order issued against Tantalex and the company’s common shares resumed trading on the CSE effective November 16, 2020.

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR the election of the three (3) nominees named herein as directors of the Corporation until the close of the next annual general meeting.

APPOINTMENT OF AUDITOR

At the Meeting the Board will nominate Charlton & Company, Chartered Professional Accountants (“Charlton & Company”), for re-appointment as auditor of the Corporation for the ensuing year or until their successors are sooner appointed. Charlton & Company was first appointed as auditor of the Corporation effective August 12, 2019.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of Charlton & Company as auditor of the Corporation until the close of the next annual general meeting or until their successors are sooner appointed.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

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

The Audit Committee’s Charter

The Corporation’s audit committee (the “**audit committee**”) has a charter, a copy of which is attached as Schedule “A” to this Circular.

Composition of the Audit Committee

Pursuant to Section 6.1.1(3) of NI 52-110, a majority of the audit committee must not be executive officers, employees or control persons of the Corporation. Members of the audit committee are Trumbull Fisher, Joel Freudman and Damian Lopez. Messrs. Fisher and Lopez are not executive officers, employees or control persons of the Corporation, while Mr. Freudman is the CEO of the Corporation. All audit committee members are considered to be financially literate.

An audit committee member is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Relevant Education and Experience

Each member of the Corporation’s audit committee has adequate education and experience relevant to their performance as an audit committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) 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 Corporation’s financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See further information for each audit committee member below.

Trumbull Fisher – Director

Mr. Fisher has over 15 years of capital markets experience managing high profile assets. Mr. Fisher started his career in the back office of an American Custodian, before moving onto a top six Canadian bank as a foreign exchange trader. Mr. Fisher then moved over to the equity Sell-Side of the business, where he co-founded an IROC Institutional Equity Sales & Trading Desk. Fisher was instrumental in the firm raising significant capital for micro and small cap companies. Mr. Fisher was directly responsible for maintaining the liability trading book, resulting in the investment bank being the #7 broker in global ranking tables, establishing the firm as one of the biggest unlisted warrant traders in the Canadian market.

Mr. Fisher went on to co-found Sui Generis Investment Partners, a long/short offshore fund with a Canadian feeder for the purpose of investing in global equities. Mr. Fisher helped oversee the successful sale of Sui

Generis to Forge First Asset Management, where he was head of trading and managed the fund's discretionary trading book.

Joel Freudman – CEO and Director

Mr. Freudman holds a B.Comm. from the University of Toronto and a J.D. from Western University. He is also Founder and President of Resurgent Capital Corp. (2016 to present), a private capital markets business, and a director and officer of several publicly-traded and private companies. Previously, he was Legal Counsel at Industrial Alliance Insurance and Financial Services Inc. (2015 to 2017); Counsel at Royal Bank of Canada (2014 to 2015); and a Securities/M&A Associate at Peterson McVicar LLP (then Peterson & Company LLP) (2012 to 2014), a law firm focused on publicly-traded junior mining issuers.

Damian Lopez –Director

Mr. Lopez is a corporate lawyer with extensive mergers and acquisition and corporate finance experience. Mr. Lopez is currently the CEO of Flora Growth Corp., a private vertically integrated cannabis company and legal consultant to various Toronto Stock Exchange and TSX Venture Exchange listed companies in various sectors including mining, cannabis, financial services, agriculture and technology. Mr. Lopez is also currently the CEO of Wolf Acquisition Corp (TSXV: WOLF.P) and Chairman of TRU Precious Metals Corp. (TSXV: TRU). Mr. Lopez began his legal career as a corporate law associate at Stikeman Elliott LLP. Mr. Lopez holds a B.Comm from Rotman Commerce, University of Toronto and a J.D. from Osgoode Hall Law School.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Charlton & Company.

Reliance on Certain Exemptions

At no time has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis* Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemptions in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

Pre-Approval Policies and Procedures

See the Audit Committee Charter attached hereto as Schedule “A” to this Circular.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by Charlton & Company to the Corporation to ensure auditor independence. Fees incurred with Charlton & Company for audit and non-audit services in the last two fiscal years are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year Ended September 30, 2020	Fees Paid to Auditor in Year Ended September 30, 2019
Audit Fees ⁽¹⁾	\$4,500	\$7,000
Audit-Related Fees ⁽²⁾	\$Nil	\$Nil
Tax Fees ⁽³⁾	\$Nil	\$Nil
All Other Fees ⁽⁴⁾	\$Nil	\$Nil
Total	\$4,500	\$7,000

Notes:

(1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Corporation’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment or which is deemed to be a material relationship under NI 52-110.

The Board facilitates its independent supervision over management by communicating with each other when members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

The independent members of the Board are Trumbull Fisher and Damian Lopez. The non-independent director is Joel Freudman (CEO).

Directorships

The current directors are directors of other reporting issuers as follows:

Name of Director	Name of Reporting Issuer	Exchange
Trumbull Fisher	Cyon Exploration	TSXV
Joel Freudman	IM Exploration Inc. TRU Precious Metals Corp.	CSE TSXV
Damian Lopez	EarthRenew Inc. TRU Precious Metals Corp. Wolf Acquisition Corp.	CSE TSXV TSXV

Orientation and Continuing Education

New directors were provided with an informal orientation regarding the role of the Board, the Audit Committee, and individual directors, and the nature of the Corporation’s business. Members of the Board are encouraged to communicate with management of the Corporation, external legal counsel and auditors, and other external consultants to educate themselves about the Corporation’s business and applicable legal and regulatory developments.

Ethical Business Conduct

The Corporation has not adopted formal guidelines to encourage and promote a culture of ethical business conduct, but does so by nominating Board members it considers ethical, by avoiding or minimizing conflicts

of interest, and by having at least one independent director. It is not anticipated that the Board will adopt formal guidelines in the 12 months following the date of this Circular.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain breadth of experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this practice may be reviewed.

If there is a change in the directors of a CPC prior to the completion of a Qualifying Transaction, each new director must comply with the policies of the Exchange and provide the Exchange with an undertaking as described in Section 14.12 of the CPC Policy.

Compensation

See "*Compensation Discussion and Analysis*" below.

Other Board Committees

The Corporation does not have any committees of the Board other than the Audit Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independent oversight.

Assessments

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

No formal policy has been established to monitor the effectiveness of the directors, the Board and its committees. However, the Corporation believes that its corporate governance practices are appropriate and effective given the Corporation's developmental stage.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

All capitalized terms used herein shall have the meaning ascribed thereto in the TSX Venture Exchange Policy 2.4 (the "**CPC Policy**"), unless otherwise defined herein. Section 8.1 of the CPC Policy states that until the completion of a Qualifying Transaction (as defined in Exchange policies), no payment of any kind may be made, directly or indirectly, by a CPC to a Non-Arm's Length Party (as defined in Exchange policies) of the CPC or a Non-Arm's Length Party to the Qualifying Transaction, or to any person engaged in Investor Relations Activities (as defined in Exchange policies) in respect of the CPC or the securities of the CPC or any resulting issuer by any means including,

- (a) remuneration, which includes, but is not limited to:
 - (i) salaries;
 - (ii) consulting fees;
 - (iii) management contract fees or directors' fees;
 - (iv) finders' fees;

- (v) loans;
 - (vi) advances;
 - (vii) bonuses; and
- (b) deposits and similar payments.

The only compensation that is permitted to the directors, officers, employees and consultants of the Corporation, so long as it is a CPC, is the granting of incentive stock options. Due to the foregoing limitation, the Board does not consider the implications of the risks associated with the Corporation's compensation policies and practices.

Named Executive Officer

In this section "Named Executive Officer" (an "NEO") means the Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year.

The NEOs of the Corporation for the purpose of the following disclosure are:

Joel Freudman	Chief Executive Officer
Ryan Cheung	Chief Financial Officer and Corporate Secretary

The Directors who are not NEOs of the Corporation for the purpose of the following disclosure are:

Trumbull Fisher	Director
Damian Lopez	Director

Director and Named Executive Officer Compensation

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to NEOs and members of the Board for the two most recently completed financial years ended September 30, 2020 and September 30, 2019.

Table of Compensation Excluding Compensation Securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ryan Cheung ⁽¹⁾ CFO and Corporate Secretary	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Joel Freudman ⁽²⁾ CEO and Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Trumbull Fisher ⁽³⁾ Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Damian Lopez ⁽⁴⁾ Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

- (1) Mr. Cheung was appointed CFO and Corporate Secretary on July 31, 2019.
- (2) Mr. Freudman was appointed as a director of the Corporation on July 31, 2019 and as CEO on September 16, 2019.
- (3) Mr. Fisher was appointed as a director on July 31, 2019.
- (4) Mr. Lopez was appointed as a director on July 31, 2019.

Stock Options and Other Compensation Securities

The Corporation has a 10% rolling share option plan allowing it to grant options to a maximum of 10% of the issued and outstanding Common Shares of the Corporation, except that, so long as the Corporation remains a CPC, the number of Common Shares reserved for issuance under the Option Plan is limited to 10% of the issued and outstanding Common Shares as at the closing of the Corporation's initial public offering.

During the Corporation’s financial years ended September 30, 2020 and September 30, 2019, the Corporation granted the following options to NEOs and directors of the Corporation who were not also NEOs.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Ryan Cheung CFO and Corporate Secretary	Options	112,500	Dec 17, 2019	\$0.10	\$0.10	\$0.15	Dec 17, 2029
Trumbull Fisher Director	Options	112,500	Dec 17, 2019	\$0.10	\$0.10	\$0.15	Dec 17, 2029
Joel Freudman CEO and Director	Options	112,500	Dec 17, 2019	\$0.10	\$0.10	\$0.15	Dec 17, 2029
Damian Lopez Director	Options	112,500	Dec 17, 2019	\$0.10	\$0.10	\$0.15	Dec 17, 2029

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of the Corporation during the financial years ended September 30, 2020 and September 30, 2019.

Stock Options and Other Incentive Plans

Option Plan

The Corporation has a 10% “rolling” share option plan dated for reference September 16, 2019 (the “**Option Plan**”), pursuant to which a maximum of 10% of the issued and outstanding Common Shares at the time an option is granted, except that, so long as the Corporation remains a CPC, the number of Common Shares reserved for issuance under the Option Plan is limited to 10% of the issued and outstanding Common Shares as at the closing of the Corporation’s initial public offering. As such, as long as the Corporation is a CPC, a maximum of 450,000 Common Shares may be issued under the Option Plan until Completion of the Qualifying Transaction. Options may be granted at the discretion of the Board to eligible optionees (the “**Optionees**”) under the Option Plan.

Until the Corporation completes its Qualifying Transaction and ceases to be a CPC, all stock options granted under the Option Plan will be subject to the terms and conditions of CPC Policy.

Eligible Optionees

Under the policies of the Exchange, to be eligible for the issuance of a stock option under the Option Plan an Optionee must either be a director, officer or employee, a consultant, or an employee of a company providing management or other services to the Corporation or a subsidiary at the time the option is granted.

Options may be granted only to an individual or to a non-individual that is wholly owned by individuals eligible for an option grant. If the option is granted to a non-individual, it must provide the Exchange with an undertaking that it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect, without the consent of the Exchange and the Corporation.

Material Terms of the Option Plan

The following is a summary of the material terms of the Option Plan:

- (a) for stock options granted to employees or service providers (inclusive of management company employees), the Corporation must ensure that the proposed Optionee is a bona fide employee or service provider (inclusive of management company employees), as the case may be, of the Corporation or any subsidiary;
- (b) no Optionee can be granted an option or options to purchase more than 5% of the outstanding listed shares of the Corporation in any one year period, unless disinterested shareholder approval is obtained;
- (c) no options will be granted under the Option Plan to any person providing Investor Relations Activities until the Corporation ceases to be a CPC, and upon ceasing to be a CPC, no option will be granted to a person providing Investor Relations Activities, unless the Corporation issues a news release at the time of grant of options to an Optionee engaged in Investor Relations Activities;
- (d) options granted to technical consultants cannot exceed 2% of the issued and outstanding shares of the Corporation in any one year;
- (e) subject to a minimum exercise price of \$0.05 per Common Share, the minimum exercise price of an option granted under the Option Plan must not be less than the Discounted Market Price (as defined in the policies of the Exchange);
- (f) as long as the Corporation is a CPC, exercise price per Common Share must be equal to or greater than \$0.10 per Common Share;
- (g) any Common Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.;
- (h) all options granted under the Option Plan are non-assignable and non-transferable and exercisable for a period of up to 10 years; and
- (i) options may be exercised the greater of 12 months after the date of cessation of being an Optionee (or such other time, not to exceed 12 months as shall be determined by the Board as at the time of grant or agreed to by the Board and the Optionee at any time prior to expiry of the options) and 90 days following cessation of the Optionee's position with the Corporation, and only to the extent that such options were vested at the date the Optionee ceased to hold its position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

As long as the Corporation remains a “capital pool company” under the policies of the Exchange, the Corporation is subject to the requirements applicable to “capital pool companies,” including the limitation that the total number of Common Shares which may be reserved under option for issuance cannot exceed 10% of the Common Shares outstanding as at the closing of the Corporation’s initial public offering.

A copy of the Option Plan is available under the Corporation’s SEDAR profile at www.sedar.com.

Employment, consulting and management agreements

The Corporation has no agreements, compensatory plans or arrangements with any of its NEOs and/or directors under which compensation was provided to such persons during the financial years ended September 30, 2020 and September 30, 2019.

Oversight and description of director and NEO compensation

The Board is responsible for determining compensation for the officers and non-executive directors of the Corporation.

The Corporation is a “capital pool company” or “CPC” in accordance with Exchange policies and, at present, does not conduct any active business operations. Until such time as a “Qualifying Transaction” as defined in the Exchange policies has been completed, no compensation will be paid to any NEOs or directors.

Actions, Decisions or Policies Made After September 30, 2020

Nothing material to report.

Pension Disclosure

The Corporation has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for the NEOs or directors of the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the financial year ended September 30, 2020:

Equity Compensation Plan Information

	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 (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans to be approved by securityholders - (the Option Plan)	450,000	\$0.10	Nil
Equity compensation plans not approved by securityholders	N/A	N/A	Nil
Total	450,000	N/A	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation or have any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction (other than solely in such person's capacity a Shareholder) which has materially affected or would materially affect the Corporation during the two most recently completed financial years ended September 30, 2020 and September 30, 2019, or has any interest in any material transaction in the current year or as of the date hereof.

MANAGEMENT CONTRACTS

The business of the Corporation is managed by its directors and officers and the Corporation has no management agreement with persons who are not officers or directors of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Items of Business

1. Financial Statements – see page 5 above;
2. Election of Directors – see pages 5 – 7 above;
3. Appointment of Auditor – see page 7 above;
4. Continuation of the Option Plan – see below;
5. Removal of the Consequences of Failing to Complete a Qualifying Transaction within 24 Months of Listing – see below; and
6. Amendment of Escrow Agreement – see below.

Continuation of the Option Plan

The Corporation has an Option Plan dated for reference September 16, 2019 (the “**Option Plan**”). The Option Plan is a rolling plan. Under the Option Plan, options totalling a maximum of 10% of the Common Shares issued at the time of the Prospectus Offering are available for grant.

To comply with the policies of the Exchange covering “rolling” option plans, continued grants under the Option Plan must be approved annually by the shareholders of the Corporation. At the Meeting shareholders will be asked to ratify and approve the Option Plan for continuation until the next annual general meeting of the Corporation.

As at December 17, 2019, the close of the Prospectus Offering, there were 4,500,000 Common Shares issued and outstanding. Accordingly, under the Plan the Corporation has the authority to grant options to purchase up to a total of 450,000 Common Shares.

See “*Stock Options and Other Incentive Plans*” above for a summary of the materials terms of the Option Plan.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on an ordinary resolution to ratify, confirm and approve the continuation of the Option Plan, with or without variation, as follows:

“**RESOLVED** as an ordinary resolution, that:

- (1) the continuation of the Option Plan dated for reference September 16, 2019, be ratified and approved until the next annual general meeting of the Corporation;
- (2) the number of Common Shares of the Corporation reserved for issuance under the Option Plan shall not exceed 10% of the Corporation’s issued and outstanding share capital at the close of the initial public offering;
- (3) to the extent permitted by law, the Corporation be authorized to abandon all or any part of the Option Plan if the Board deems it appropriate and in the best interest of the Corporation to do so; and
- (4) any one or more directors and officers of the Corporation be authorized to perform all such acts, deeds and things and execute, under seal of the Corporation or otherwise, all such documents as may be required to give effect to this resolution.”

An ordinary resolution is a resolution passed by the shareholders of the Corporation at a general meeting by a simple majority of the votes cast in person or by proxy.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the continuation of the Option Plan.

Removal of the Consequences of Failing to Complete a Qualifying Transaction within 24 Months of Listing

On December 1, 2020, the Exchange announced changes to its CPC program, which include, among other things, amendments to the CPC Policy (the “**New Policy**”) and the Exchange’s Form 2F – *CPC Escrow Agreement* (the “**New CPC Escrow Agreement**”). Subject to the receipt of all requisite regulatory approvals, the New Policy will become effective on January 1, 2021.

Pursuant to Section 15.2(b)(i) of the New Policy, any CPC listed on Tier 2 of the Exchange may, subject to obtaining disinterested Shareholder approval at meeting of Shareholders, remove the potential consequences associated with the CPC failing to complete a Qualifying Transaction within 24 months after the date of listing of the common shares of that CPC on the Exchange, including the potential delisting or suspension of a CPC if it has not obtained majority Shareholder approval to transfer its listing to the NEX board of the Exchange and cancelling certain Seed Shares held by Non-Arm’s Length Parties to the CPC. For the purposes of the disinterested shareholder approval, the votes attached to the Listed Shares of the CPC held by Non-Arm’s Length Parties to the CPC who own Seed Shares and their Associates and Affiliates are excluded from the calculation of any such approval. Capitalized terms used and not defined in this paragraph or elsewhere in the Circular have the meanings given to them in Exchange policies.

Disinterested Shareholder Approval

At the Meeting, disinterested Shareholders will be asked to consider and vote on an ordinary resolution to confirm and approve the terms of the New Policy as set out in Section 15.2(b)(i) therein with respect to the removal of the consequences described above of failing to complete a Qualifying Transaction within 24 months after the date of listing, with or without variation, as follows:

“**RESOLVED** as an ordinary resolution of disinterested shareholders, that:

- (1) the removal of the potential consequences associated with the Corporation if it fails to complete a Qualifying Transaction within 24 months after the date of listing of the Common

Shares on the Exchange, including the potential delisting or suspension of the Corporation if it has not obtained majority Shareholder approval to transfer its listing to the NEX board of the Exchange and the cancellation of certain Seed Shares held by Non-Arm’s Length Parties to the Corporation, be and is hereby confirmed and approved; and

- (2) any one or more directors and officers of the Corporation be authorized to perform all such acts, deeds and things and execute, under seal of the Corporation or otherwise, all such documents as may be required to give effect to this resolution.”

(the “**New Policy QT Resolution**”)

An ordinary resolution of disinterested shareholders is a resolution passed by a majority of the disinterested shareholders of the Corporation (which excludes the votes attached to the Common Shares held by Non-Arm’s Length Parties of the Corporation who own Seed Shares and their Associates and Affiliates) at a general meeting by a simple majority of the disinterested votes cast in person or by proxy.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the approval of the New Policy QT Resolution.

Amendment of Escrow Agreement

Pursuant to Section 15.2(b)(iv) of the New Policy, any CPC that is listed on the Exchange, may, after it obtains disinterested shareholder approval at meeting of shareholders, amend any CPC Escrow Agreement to which it is a party to:

- (a) reduce the length of the term of any escrow provision to a term that is not less than such as is permitted by Section 10.2 of the New Policy;

provided that it complies with all other terms and conditions of the CPC Escrow Agreement being amended.

On November 29, 2019, the Corporation, Olympia Trust Company and certain securityholders entered into a Form 2F CPC Escrow Agreement (the “**Holly Street Escrow Agreement**”), a copy of which is available under the Corporation’s SEDAR profile at www.sedar.com. Under the CPC Policy and the provisions of the Exchange’s current Form 2F – *CPC Escrow Agreement*, all Escrow Shares will be released from escrow in accordance with one the following schedules:

- (a) if the resulting issuer upon completion of the Corporation’s Qualifying Transaction is a Tier 1 Issuer on the Exchange:

Release Dates	Percentage of Total Escrowed Securities to be Released
[Insert date of Final Exchange Bulletin]	25%
[Insert date 6 months following Final Exchange Bulletin]	25%
[Insert date 12 months following Final Exchange Bulletin]	25%
[Insert date 18 months following Final Exchange Bulletin]	25%
TOTAL	100%

- (b) if the resulting issuer upon completion of the Corporation’s Qualifying Transaction is a Tier 2 Issuer on the Exchange:

Release Dates	Percentage of Total Escrowed Securities to be Released
[Insert date of Final Exchange Bulletin]	10%
[Insert date 6 months following Final Exchange Bulletin]	15%
[Insert date 12 months following Final Exchange Bulletin]	15%
[Insert date 18 months following Final Exchange Bulletin]	15%
[Insert date 24 months following Final Exchange Bulletin]	15%
[Insert date 30 months following Final Exchange Bulletin]	15%
[Insert date 36 months following Final Exchange Bulletin]	15%
TOTAL	100%

In comparison, under the New Policy and the provisions of the New CPC Escrow Agreement, the Holly Street Escrow Agreement may be amended such that, except for CPC Stock Options and Option Shares that are released from escrow on the date of the Final QT Exchange Bulletin as provided in Section 10.2(a) of the New CPC Policy, all Escrowed Securities will be released from escrow in accordance with the following schedule (and capitalized terms used and not defined in this paragraph or elsewhere in the Circular have the meanings given to them in Exchange policies):

Release Dates	Percentage of Total Escrowed Securities to be Released
Date of Final QT Exchange Bulletin	25%
Date 6 months following Final QT Exchange Bulletin	25%
Date 12 months following Final QT Exchange Bulletin	25%
Date 18 months following Final QT Exchange Bulletin	25%
TOTAL	100%

In addition, under the New Policy, all CPC Stock Options granted prior to the date of the Final QT Exchange Bulletin and all Option Shares that were issued prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than CPC Stock Options that were granted prior to the CPC's IPO with an exercise price that is less than the issue price of the IPO Shares, and any Option Shares that were issued pursuant to the exercise of such CPC Stock Options which will be released from escrow in accordance with the schedule set out in Section 10.2 of the New Policy (and reproduced in the table immediately above this paragraph).

Subject to obtaining disinterested shareholder approval, the Corporation is proposing to amend the Holly Street Escrow Agreement in accordance with the terms of the New CPC Escrow Agreement in order to reduce the length of the term of the applicable escrow provision to a term that is not less than such as is permitted by Section 10.2 of the New Policy.

Disinterested Shareholder Approval

At the Meeting, disinterested Shareholders will be asked to consider and vote on an ordinary resolution to confirm and approve the terms of the New Policy as set out in Section 15.2(b)(iv) therein with respect to the amendment of the Holly Street Escrow Agreement, with or without variation, as follows:

“**RESOLVED** as a ordinary resolution of disinterested shareholders, that:

- (1) the amendment of the Form 2F CPC Escrow Agreement dated November 29, 2019 among the Company, Olympia Trust Company and certain securityholders in order to reduce the length of the term of any escrow provision to a term that is not less than such as is permitted by Section 10.2 of the New Policy be and is hereby confirmed and approved; and
- (2) any one or more directors and officers of the Corporation be authorized to perform all such acts, deeds and things and execute, under seal of the Corporation or otherwise, all such documents as may be required to give effect to this resolution.”

(the “**New Policy Escrow Resolution**”)

An ordinary resolution of disinterested shareholders is a resolution passed by a majority of the disinterested shareholders of the Corporation (which excludes the votes attached to the Common Shares held by Non-Arm’s Length Parties of the Corporation who own Seed Shares and their Associates and Affiliates) at a general meeting by a simple majority of the disinterested votes cast in person or by proxy.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the approval of the New Policy Escrow Resolution.

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Corporation for the years ended September 30, 2020 and September 30, 2019 and in the related management’s discussion and analysis (together, the “**Financial Statements**”). Copies of the Financial Statements will be available on www.sedar.com and will be available at the Meeting.

Additional information relating to the Corporation is available as filed on www.sedar.com and upon request from the Corporation’s Chief Executive Officer c/o McMillan LLP, 1055 West Georgia Street, Suite 1500, Vancouver, B.C., V6E 4N7. Copies of documents will be provided free of charge to Shareholders. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

The contents of this Circular and its distribution to Shareholders have been approved by the Board.

APPROVED by the Board at Vancouver, British Columbia, this 16 day of December, 2020.

BY ORDER OF THE BOARD

(signed) Joel Freudman

Joel Freudman
Chief Executive Officer

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

1. PURPOSE AND PRIMARY RESPONSIBILITY

1.1 This charter sets out the Audit Committee’s purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the “**Board**”) of **Holly Street Capital Ltd.** (the “**Company**”), annual evaluation and compliance with this charter.

1.2 The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

2. MEMBERSHIP

2.1 At least one of the members of the Audit Committee must be an independent director of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

2.2 The Audit Committee will consist of at least three members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.

2.3 The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

2.4 The Chair of the Audit Committee will be appointed by the Board.

2.5 A majority of the members of the Audit Committee must not be officers, employees or control persons of the Company or any of its associates or affiliates.

3. AUTHORITY

3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- (a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or

professional advisors so retained by the Audit Committee will report directly to the Audit Committee;

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

4. DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the Audit Committee include:

(a) recommending to the Board the external auditor to be nominated by the Board;

(b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

(c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);

(d) overseeing the work of the external auditor;

(e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to Company;

(f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

(g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

(h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

- (i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- (j) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- (k) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- (l) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- (m) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- (n) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (o) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- (p) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- (q) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
- (r) resolving disputes between management and the external auditor regarding financial reporting;
- (s) as necessary or required, establishing procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and

- (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (t) as necessary or required, reviewing and approving the Company’s hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (u) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company’s external auditor;
- (v) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
- (w) as necessary or required, establishing procedures for:
 - (i) reviewing the adequacy of the Company’s insurance coverage, including the Directors’ and Officers’ insurance coverage;
 - (ii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer (“CFO”) and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
 - (iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer (“CEO”) and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
 - (iv) reviewing fraud prevention policies and programs, and monitoring their implementation;
 - (v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company’s compliance with laws and regulations having a material impact on the financial statements including:
 - (A) Tax and financial reporting laws and regulations;
 - (B) Legal withholding requirements;
 - (C) Environmental protection laws and regulations;
 - (D) Other laws and regulations which expose directors to liability; and

4.2 A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

4.3 On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best

practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

5. MEETINGS

5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

5.2 The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

5.3 The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

5.4 The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.5 The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

5.6 Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

6. REPORTS

6.1 The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

6.2 The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

7. MINUTES

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.