

## MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT made as of the 1st day of March, 2021

### BETWEEN

**ENGLAND COMMUNICATIONS LTD.**, a company duly incorporated under the laws of the Province of British Columbia, and having its registered and records office at 700 - 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1

(the "**Manager**")

### AND:

**PROSPERITY EXPLORATION CORP.**, a company duly incorporated under the laws of the Province of British Columbia, and having its registered and records office at 700 - 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1

(the "**Company**")

### WHEREAS:

- A. The Manager has agreed to provide management services to the Company; and
- B. The Company wishes to retain the services of the Manager on the terms provided in this Agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and of the mutual covenants and agreements herein set forth and for other good and valuable consideration, the sufficiency and receipt of which is acknowledged by all the parties hereto, the parties hereto covenant and agree as follows:

### PART 1 INTERPRETATION

1.1 **Definitions:** In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) "**Agreement**" means this Agreement and the schedules attached hereto;
- (b) "**Board**" means the board of directors of the Company from time to time;
- (c) "**Business Day**" means a day other than a Saturday, Sunday or a statutory holiday in British Columbia;
- (d) "**Effective Date**" means March 1<sup>st</sup>, 2021;
- (e) "**Management Services**" means the services described in subsection 2.3 hereof;

- (f) **"Term of Appointment"** has that meaning ascribed to it under Section 2.2 herein.

1.2 Interpretation: For the purposes of this Agreement, except as otherwise expressly provided herein:

- (a) a reference to a section, schedule or annexure is a reference to a section of or a schedule or annexure to this Agreement;
- (b) the words "**herein**," "**hereof**," "**hereunder**" and other words of similar import refer to this Agreement as a whole and not to any particular article, section or other subdivision;
- (c) the headings are for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision herein;
- (d) the singular of any term includes the plural, and vice versa; the word "or" is not exclusive and the word "**including**" is not limiting (whether or not non-limiting language, such as "**without limitation**" or "**but not limited to**" or words of similar import is used with reference thereto);
- (e) all references to currency are deemed to mean the lawful currency of Canada;
- (f) any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which has the effect of supplementing or superseding such statute or such regulations; and
- (g) where the time for doing an act falls or expires on a day which is not a Business Day, the time for doing such act is extended to the next Business Day.

1.3 Jurisdiction: This Agreement is governed by and construed in accordance with the laws of the province of British Columbia.

1.4 Schedules: The following schedule is attached to and incorporated in this Agreement:

Schedule A - Management Services

## PART 2 APPOINTMENT AND DUTIES OF THE MANAGER

2.1 Appointment of the Manager: The Company hereby appoints the Manager to perform the Management Services and the Manager hereby accepts the appointment (the "**Appointment**") on the terms and conditions hereinafter set out.

2.2 Term of Appointment: The Manager will provide the Management Services to the Company for a period (the "**Term of Appointment**") commencing on the Effective Date and continuing until terminated in accordance with Part 5 hereof.

2.3 Management Services: The Management Services to be provided by the Manager to the Company will consist of those duties and responsibilities as are more particularly described in Schedule "A" attached hereto.

### PART 3 MANAGEMENT FEES AND EXPENSES

3.1 Management Fees: In consideration of the Management Services, the Company will pay to the Manager during the Term of Appointment, monthly management fees (exclusive of applicable GST and Social Services Tax) (the "**Management Fees**") in the amount of \$2,500 per month.

3.2 Payment Dates: Management fees payable pursuant to Section 3.1 will be paid by the Company to the Manager on the first Business Day of each month.

3.3 Other Expenses: The parties acknowledge and agree that:

- (a) all other costs reasonably incurred by the Manager on behalf of the Company such as rents, local, cellular and long distance telephone expenses, internet access, office supplies, freight & courier, customs & duty, publications & manuals, trade show & conference fees, legal fees, audit fees and all other professional or consulting fees will be borne by the Company;
- (b) should it become necessary or expedient under the circumstances for the Manager to incur out-of-pocket expenses in the course of providing the Management Services (including but not limited to any costs described in subsection 3.3(a) above), the Company will promptly reimburse the Manager for such expenses upon presentation of expense receipts or other similar evidence that such expense has been incurred in connection with the provision of Management Services; and
- (c) the Manager will not be obliged to incur any out-of-pocket expenses in performing the Management Services outside Vancouver. Notwithstanding the foregoing, authorized travel, accommodation and other reasonable expenses incurred by the Manager in performing the Management Services outside Vancouver will be borne by the Company.

3.4 Indemnity of the Manager: The Company will indemnify and save harmless the Manager, its directors, officers, employees and consultants from and against any action, cause of action, suit, debt, cost expense, claim or demand whatsoever at law or in equity resulting from the performance by the Manager of the Management Services provided that:

- (a) the act or omission with respect to which the Manager seeks indemnity was performed in accordance with the terms of this Agreement; and
- (b) the foregoing indemnity will not extend to any gross negligence or wrongful act, omission or neglect of the Manager or any act or omission of the Manager outside the provisions of the Agreement or beyond the scope of the Manager's authority hereunder.

3.5 Indemnity of Company: The Manager will indemnify and save harmless the Company against all actions, suits, damages, losses or liabilities arising in whole or in part out of or in connection with:

- (a) the grossly negligent or unlawful performance of the Management Services hereunder; and
- (b) any claim for taxes, penalties and for withholding of funds by the applicable tax, worker's compensation, employment standards and insurance agencies or any other governmental authority with respect to any amount found to be payable by the Company to any such governmental authority in respect of the Manager's provision of the Management Services under this Agreement, including any reasonable legal fees incurred by the Company in defending such claims.

3.6 Notwithstanding any other provision in this Agreement, the Manager shall be entitled to take advice of legal counsel concerning all matters herein set forth and its duties hereunder and shall be entitled to employ accountants, legal counsel or other experts in connection with the performance of its duties hereunder and may rely and act upon the opinion or advice of such legal counsel, accountants or other experts, and shall not be responsible for any loss resulting from any action or non-action in accordance with such opinion or advice.

#### **PART 4 RELATIONSHIP OF THE PARTIES**

4.1 Agency: In performing the Management Services, the Manager will, to that extent, be the authorized agent of the Company, subject always to the ultimate authority of the Board to control and direct the Company's affairs. Notwithstanding the foregoing, nothing in this Agreement will be construed to create between the Manager and the Company:

- (a) a relationship of principal and agent exceeding in scope that which is necessary to give effect to the spirit and intent of this Agreement; or
- (b) a relationship of employment, joint venture, partnership, or joint enterprise;

it being the intent of this Agreement that the Manager is engaged by the Company only as an independent contractor.

4.2 Deductions: If a competent governmental authority should assert that the Company is responsible for making any source deductions with respect to remuneration paid or payable to the Manager, then the Company shall be entitled to start making such source deductions from any amounts payable by the Company to the Manager hereunder.

#### **PART 5 TERMINATION**

5.1 Mutual Agreement: The parties may terminate this Agreement by mutual agreement at any time.

5.2 Term: The Term of Appointment shall be two years, and this Agreement shall terminate and be of no further force and effect on March 1st, 2023, except in the event of

termination of this Agreement, the obligation to make any payment pursuant to the terms hereof due and payable at or prior to the termination will survive the termination of this Agreement.

5.3 Default by The Manager: The Company may, at its option, immediately terminate this Agreement:

- (a) if the Manager is wound up or ceases to exist;
- (b) if the Manager files a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy or insolvency law, or consents to an involuntary petition in bankruptcy or the failure to act immediately upon entry thereof or any order approving an involuntary petition in respect of the Manager;
- (c) upon the appointment of a receiver or receiver-manager for all or substantially all of the Manager's property; or
- (d) if the Manager fails to provide the services agreed to be provided under this Agreement and such failure continues for 30 days after the Company has, in writing, demanded that such failure be cured.

5.4 Default by Company: The Manager may, at its option immediately terminate this Agreement without notice upon the occurrence of any of the following:

- (a) the failure by the Company to pay monies to the Manager required to be paid hereunder for a period of 15 days after such monies become payable;
- (b) the filing by the Company of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy or insolvency law;
- (c) the consent by the Company to an involuntary petition in bankruptcy or the failure to act immediately upon entry thereof of any order approving an involuntary petition in respect of the Company; or
- (d) the appointment of a receiver or a receiver-manager for all or substantially all of the Company's property;

whereupon the Management Fees, expenses and other monies which would otherwise have been payable to the Manager had the Appointment remained in effect for the balance of the month next following the month during which the Agreement is terminated pursuant to this section 5.4, will become immediately due and payable.

## **PART 6 CONFIDENTIALITY**

6.1 Confidential Information:

- (a) The Manager will during the Term of Appointment, keep confidential all information known or used by the Company in its activities, including, but not limited to: (i) any financial information, including the Company's costs, sales, income, profits, salaries and wages; (ii) information concerning business opportunities, client and customers of the Company, including all projects, ventures or joint ventures considered by the Company, whether or not pursued;

and (iii) any and all know-how, and any and all oral, written, electronic or other communications and other information disclosed or provided by the Company, including any and all analyses or conclusions drawn or derived therefrom (items (i) through (iii) collectively referred herein as "**Confidential Information**"), but excluding information that is publicly available (other than as a result of a breach of this Agreement).

- (b) During the Term of Appointment, the Manager shall keep all of the Confidential Information in confidence and will use the Confidential Information solely for the purposes of performing the services set out in this Agreement, and will not without the Company's prior consent, disclose any Confidential Information to any person or entity, except the Manager's employees or consultants or advisors who require the Confidential Information in performing their obligations under this Agreement.

6.2 Return of Materials: The Manager agrees to return to the Company, immediately upon termination or expiry of this Agreement, all material containing or disclosing Confidential Information including copies of these items, however made or obtained and will delete any electronic copies or files of any such information.

## PART 7 NOTICE

7.1 Notice: Any notice, approval or other communication required or permitted to be given hereunder will be given in writing and will be personally delivered, sent by pre-paid registered mail or by facsimile:

in the case of the Manager, to:

England Communication Ltd.  
1240 - 789 West Pender Street  
Vancouver, BC V6C 1H2

Fax: 604 683-3988

Attention: Mike England

in the case of the Company to:

Prosperity Exploration Corp.  
1240 - 789 West Pender Street  
Vancouver, BC V6C 1H2

Fax: 604 683-3988

Attention: The Board of Directors

7.2 Receipt of Notice: Any notice so given will be deemed conclusively to have been given and received:

- (a) if personally delivered, on the date of delivery;

- (b) if sent by pre-paid registered mail, on the third (3<sup>rd</sup>) Business Day following the date of mailing, provided that for such purposes no day during which there is a strike or other occurrence which interfere with normal mail will be considered a Business Day; or
- (c) if sent by facsimile, on the next Business Day following the day of transmission.

7.3 Change of Address: Each of the parties may from time to time change its address for service by providing written notice of such change to the other party.

## **PART 8 GENERAL PROVISIONS**

8.1 Amendments and Waivers: No amendment of this Agreement is binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement is deemed or will constitute a waiver of any other provision nor will any such waiver constitute a continuing waiver unless otherwise expressly provided.

8.2 Assignment: This Agreement is not capable of assignment by the Manager or the Company without the prior written agreement of the other party.

8.3 Entire Agreement: This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous agreements and understandings between the parties relating to the subject matter hereof.

8.4 Counterparts: This Agreement may be executed in counterparts, which together shall be deemed to constitute one agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

**ENGLAND COMMUNICATIONS LTD.**

*"Michael England"*

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Authorized Signatory

**PROSPERITY EXPLORATION CORP.**

*"John Masters"*

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Authorized Signatory



**SCHEDULE "A"**  
**MANAGEMENT SERVICES**

The Manager shall, subject to the direction of the Board of Directors:

1. furnish and supervise the performance of all clerical, administrative and managerial functions in connection with the administration of the day-to-day operations of the Company;
2. consult with the Board of Directors of the Company and furnish advice and recommendations with respect to the market affairs of the Company or any factors which come to its attention which might influence the market of the Company, except to the extent that giving such information would involve a breach of any duty of confidence;
3. assist with the drafting and dissemination of news releases of the Company;
4. process and maintain records of all transactions involving the subscription, re-registration, and transfer of shares in the capital of the Company to ensure the timely issuance of new shares in the capital of the Company arising from new share subscriptions;
5. prepare for approval by the Board of Directors and arrange for such filings as are required under applicable securities law, including but not limited to financial statements, management discussion and analyses, information circulars, proxies and meeting notices; and
6. provide such other services as the Company may, in its sole discretion, require from time to time.