



## STRATEGEM CAPITAL

### STRATEGEM CAPITAL CORPORATION

210 - 240 11 Ave. SW

Calgary, Alberta Canada T2R 0C3

Tel: 1-833-743-4743 Fax: 1-833-743-4743

(as at May 18, 2022 except as otherwise indicated)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of STRATEGEM CAPITAL CORPORATION (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on July 13, 2022 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to “the Company”, “we” and “our” refer to STRATEGEM CAPITAL CORPORATION. “Common Shares” means the Class A and Class B common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### 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, officers and regular employees of the Company. The Company 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”) are officers and/or directors of the Company. **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 persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

#### Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8<sup>th</sup> Floor, 100 University Avenue,

Toronto, Ontario, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;

- (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 Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). 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 all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

### **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 Company 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 Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). In the United States, the vast majority of such Common Shares are registered 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), and in Canada, 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).

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

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

The Company is taking advantage of the provisions of National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" that permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's 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 Company), other than 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, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The

completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides 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 at the Meeting or to have an alternate representative duly appointed to attend the Meeting and to vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act* of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

#### **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 Computershare, 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 Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, 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 the election of directors, the appointment of the auditor, and approval to the New Stock Option Plan and as may be set out herein.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors (the "**Board**") of the Company has fixed May 18, 2022 as the record date (the "**Record Date**") for the 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 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.

The Company's authorized capital consists of: i) an unlimited number of voting Class A Common shares without par value; ii) an unlimited number of voting Class B Common shares without par value and iii) an unlimited number of non voting Class A Preference shares without par value.

Only the Company's Class A Common Shares are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under stock symbol "SGE".

#### Class B Shares

The holders of the Class B Common shares are entitled to receive notice of and to attend at and to vote in person or by proxy at any general meeting of the shareholders of the Company, and are entitled to cast one vote for each Class B Common share held.

The Class A Common shares and the Class B Common shares in the share capital of the Company carry the right to one vote.

As of record date, May 18, 2022, there were 9,376,528 Class A Common Shares issued and outstanding, each carrying the right to one vote and 220 Class B 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 Class A and Class B Common Shares.

#### Class A Preference Shares

No Class A Preference shares are issued and outstanding. Holders of Class A Preference shares are not entitled to receive notice of or attend or vote at any general meeting of shareholders of the Company except for such rights relating to the election of directors on default in payment of dividends as may be attached to any series of the Class A Preference shares by the directors.

To the knowledge of the current management of the Company, the below named company or person beneficially owned, or controlled or directed, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the outstanding Class A Common Shares and Class B shares of the Company as at May 18, 2022 Record Date:

<u>Name</u>	<u>Type of Ownership</u>	<u>Number and Percentage of Shares owned, controlled or directed<sup>(1)</sup></u>
SKKY Capital Corporation <sup>(1)</sup>	Direct	3,177,200 Class A Common Shares (33.9%)
2023378 Ontario Inc. <sup>(2)</sup>	Direct	3,155,000 Class A Common Shares (33.6%)
Ken Little <sup>(3)</sup>	Direct	200 Class B Common Shares (90.9%)

Notes:

- <sup>(1)</sup> SKKY Capital Corporation Limited is a company owned and controlled by Gordon Flatt, a director of the Company.
- <sup>(2)</sup> 2023378 Ontario Inc. is a company owned and controlled by Graydon Flatt, Chairman of the Company's Science and Technology Advisory Committee.
- <sup>(3)</sup> Information provided by the Company's transfer agent, Computershare Investor Services Inc.

### FINANCIAL STATEMENTS

The consolidated audited financial statements of the Company for the Company's financial years ended December 31, 2021 and December 31, 2020, the report of the auditor thereon and the related management's discussion and analysis were filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) on March 31, 2022, which financial statements will be tabled at the Meeting and which will be available at the Meeting.

### ELECTION OF DIRECTORS

#### Number of Directors

There are currently five (5) directors of the Company. The Board proposes to nominate for election at the Meeting, five (5) directors. Shareholders will be asked at the Meeting to approve an ordinary resolution to fix the number of directors to be elected to the Board at five (5).

At the Meeting, Shareholders will be asked to vote on the following ordinary resolution:

**“BE IT RESOLVED** that the number of directors for election at this Meeting be fixed at five (5)”

**Management recommends the Shareholders approve the resolution to fix the number of directors of the Company at five (5). Unless otherwise indicated on the form of Proxy received by the Company, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, in favour of the resolution to fix the number of directors of the Company at five (5).**

The term of office of each of the 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), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

#### Advance Notice Provision

Effective as of June 5, 2014, advance notice provisions were added to the Company's Articles (the **“Advance Notice Provision”**). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to: (i) a requisition of a

meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia); or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision to the Company's Articles, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The following disclosure sets out the names of management's five nominees for election as director, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 18, 2022.

Name of Nominee; Current Position with the Company and Province and Country of Residence	Occupation, Business or Employment <sup>(1)</sup>	Period as a Director of the Company	Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>Honourable Stockwell Day, PC, ICD.D<sup>(6)</sup></b> Chairman of the Board and Director British Columbia, Canada	Chairman of the Board of the Company; Founder, Stockwell Day Connex Ltd.  <i>Refer to <b>Director Biographies</b> below.</i>	October 19, 2020	218,340 <sup>(2)</sup>
<b>Gordon Flatt<sup>(7)</sup></b> Director Bermuda	Managing Partner & Chief Investment Strategist of the Company.  <i>Refer to <b>Director Biographies</b> below.</i>	October 19, 2020	3,177,200 <sup>(3)</sup>
<b>Desmond M. Balakrishnan<sup>(6)</sup></b> Director British Columbia, Canada	Corporate Securities Lawyer (1997 to present), Partner at McMillan LLP (formerly Lang Michener LLP) (2004 to present).  <i>Refer to <b>Director Biographies</b> below.</i>	October 19, 2020	469,080 <sup>(4)</sup>
<b>Matthew Ciccì, CFA<sup>(6)</sup></b> Director British Columbia, Canada	Senior Managing Director with Canaccord Genuity Wealth Management Canada.  <i>Refer to <b>Director Biographies</b> below.</i>	October 19, 2020	Nil
<b>Dickson Gould</b> Director Manitoba, Canada	Chair of the Manitoba Protein Consortium, a director of Saskatchewan Pork, a director of Canada Pork International, and a director of Swine Innovation Porc.  <i>Refer to <b>Director Biographies</b> below.</i>	May 1, 2021	218,340 <sup>(5)</sup>

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) Mr. Day also holds 218,340 share purchase warrants to purchase 218,340 common shares at an exercise price of \$2.75 expiring on May 17, 2024.
- (3) Mr. Flatt's Common Shares are held indirectly through SKKY Capital Corporation Limited, a company owned and controlled by Mr. Flatt. Mr. Flatt also holds 1,655,000 share purchase warrants through SKKY Capital Corporation Limited, to purchase 1,655,000 common shares at an exercise price of \$2.75 expiring on May 17, 2024.
- (4) 15,000 Common Shares are held indirectly through Desmond Balakrishnan Law Corporation, a company owned and controlled by Mr. Balakrishnan. Mr. Balakrishnan also holds 436,680 share purchase warrants to purchase 436,680 common shares at an exercise price of \$2.75 expiring on May 17, 2024.
- (5) Mr. Gould also holds 218,340 share purchase warrants to purchase 218,340 common shares at an exercise price of \$2.75 expiring on May 17, 2024.
- (6) A member of the Audit and Corporate Governance Committee.
- (7) A member of the Science and Technology Advisory Committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision (see above). Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for election at the Meeting.**

### ***Director Biographies***

#### **Honourable Stockwell Day, PC, ICD.D, Chairman of the Board and Director**

Hon. Stockwell Day, PC, was appointed Chairman of the Board and a Director of the Company on October 19, 2020. Mr. Day operates a consulting business called Stockwell Day Connex Ltd. Mr. Day served at the provincial and federal levels of government for over 25 years. From 2000 to 2011, Mr. Day served as a Member of Parliament with the federal government, holding various positions including Leader of the Official Opposition, Minister of Public Safety, Minister of International Trade, Minister for the Asia-Pacific Gateway, senior Minister responsible for British Columbia and President of the Treasury Board. From 1986 to 2000, Mr. Day served with the Alberta government in a variety of roles, including Minister of Labour, Minister of Social Services, Provincial Treasurer and Minister of Finance. Post politics Mr. Day serves on a broad variety of boards and associations, nationally and internationally and advises a diverse range of clients in the public and private sectors through his international consulting agency.

Mr. Day attended the University of Victoria and has Honorary Doctorates from the University of St. Petersburg, Russia and Trinity Western University. He is a Distinguished Fellow of the Asia Pacific Foundation of Canada and a Certified Member of the Institute of Corporate Directors. In 2018, Mr. Day received a lifetime achievement award from the Canada China Business Council and, in 2019, Mr. Day received an award of merit from B'nai Brith Canada and the Peter Lougheed Award for leadership in public policy.

#### **Gordon Flatt, Director**

Gordon Flatt was appointed to the Board of Directors of the Company on October 19, 2020 and as a Managing Partner & Chief Investment Strategist. Mr. Flatt is based in Bermuda and has global experience advising public and private companies. Mr. Flatt is also the Investment Administrator of Stirling Global Charity Foundation, a Bermuda Charity.

#### **Desmond M. Balakrishnan, Director**

Desmond Balakrishnan is a Vancouver lawyer and has practiced law as a partner at McMillan LLP since January 2002. His areas of practice focus on mergers, acquisitions, international public listings, cannabis law, gaming and entertainment law. Mr. Balakrishnan acts as counsel to companies with respect to corporate governance, regulatory compliance, public listing on the Canadian Securities Exchange, the TSX Venture Exchange, the Toronto Stock Exchange, Nasdaq and the New York Stock Exchange, and debt or equity financings and strategic acquisitions. Mr. Balakrishnan is now, or has been in the last five years, a director or officer of various public companies or reporting issuers. Mr. Balakrishnan graduated from Simon Fraser University with a Bachelor of Arts degree in 1994 and from the University of Alberta in 1997 of Alberta in 1997 with an LL.B (*with distinction*). Mr. Balakrishnan was called to the bar in British Columbia in 1998.

**Matthew Cicci, CFA, Director**

Matthew Cicci was appointed to the Board of Directors of the Company on October 19, 2020. Mr. Cicci is the Senior Managing Director with Canaccord Genuity Wealth Management Canada, based out of the Vancouver head office, and acting Branch Manager & Senior Vice President.

Mr. Cicci has been with Canaccord Genuity since graduating from UBC. His diverse expertise allows him to pursue various disciplines within the Wealth Management business. Holding a CFA® designation, Mr. Cicci is also a Portfolio Manager, Retail Executive, and former Special Situations Equity Analyst.

**Dickson Gould, Director**

Dickson Gould was appointed to the Board of Directors of the Company on May 1, 2021. Currently, Mr. Gould serves as the Chair of the Manitoba Protein Consortium, a director of Saskatchewan Pork, a director of Canada Pork International, and a director of Swine Innovation Porc. Mr. Gould has been actively involved in agriculture for over 35 years and has extensive experience in the swine sector. Mr. Gould is the President of The Progressive Group of Companies Inc. based in Niverville, Manitoba.

Through his entrepreneurial attitude Mr. Gould has grown successful businesses including Winkler Meats Inc. which, through its federally inspected facility, produces branded retail lines of processed meats and Valley Lea Farms Berkshire sired pork.

**Cease Trade Orders and Bankruptcy**

Except as disclosed below, within the last 10 years before the date of this Information Circular no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) 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 has 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;
- (d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

*Exception*

*Desmond Balakrishnan*

Desmond Balakrishnan, a director of the Company, was a director of Aroway Energy Inc. (“Aroway”) a TSX Venture Exchange listed company at the time a Cease Trade Order was issued by the British Columbia Securities Commission on January 4, 2016 for not having filed its annual financial statements for the year ended June 30, 2015 and its interim financial report for the financial period ended September 30, 2015 and its management’s discussion and analysis for the periods ended June 30, 2015 and September 30, 2015. Effective at the close of business on Monday, Monday, June 18, 2018, the common shares of Aroway were delisted from the TSX Venture Exchange as a result of Aroway’s failure to maintain Exchange Requirements. The cease trade order remains in effect.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**



## APPOINTMENT OF AUDITOR

The Company recommends the re-appointment of DeVisser Gray LLP, Chartered Professional Accountants, as auditor of the Company. DeVisser Gray LLP, Chartered Professional Accountants were initially appointed to act as the auditor of the Company effective September 10, 2010.

### AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

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

#### Composition of the Audit Committee

The Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

The Company’s has a combined Audit and Corporate Governance Committee. The current members of the Audit Committee are: Desmond M. Balakrishnan (Chair), Matthew Cicci and Honourable Stockwell Day. Matthew Cicci and Honourable Stockwell Day are independent members, as contemplated by NI 52-110. Desmond M. Balakrishnan is not an independent member as he is currently a partner in a law firm that provides legal services to the Company.

#### The Audit Committee’s Charter

The audit committee of the Company has a charter which is attached as Schedule “A” to this Information Circular.

#### Relevant Education and Experience

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

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

All members of the Audit Committee members are considered to be financially literate. Please refer to “*Director Biographies*” above for information on the education and experience of the Audit Committee members.

#### Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than DeVisser Gray LLP, Chartered Professional Accountants.

#### Reliance on Certain Exemptions

The Company’s auditor, DeVisser Gray LLP, Chartered Professional Accountants, has not provided any material non-audit services.

#### Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the audit committee charter.



## External Auditor Service Fees

The following table sets forth the fees billed by DeVisser Gray LLP, Chartered Professional Accountants, to management of the Company, for services rendered in the last two financial years ended December 31, 2021 and December 31, 2020:

	<u>2021</u>	<u>2020</u>
	(\$)	(\$)
Audit fees <sup>(1)</sup>	17,000	15,000
Audit related fees <sup>(2)</sup>	1,150	Nil
Tax fees <sup>(3)</sup>	3,000	2,500
All other fees <sup>(4)</sup>	Nil	Nil
Total	<u>\$24,150</u>	<u>\$17,500</u>

Notes:

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above. The services provided include employee benefit audits, 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 the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning. The services provided include 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 the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

## Exemption

The Company is relying on the exemption in section 6.1 of NI 52-110, which exempts venture issuers, as defined in NI 52-110, from certain composition requirements of the audit committee and certain reporting obligations under NI 52-110 for their most recently completed financial year.

## CORPORATE GOVERNANCE

### General

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NP 58-101**”), requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines adopted in National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-102**”) (the “**Guidelines**”). These Guidelines are not prescriptive, but will be used by the Company in adopting its corporate governance practices. The board of directors (the “**Board**”) and management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. This section describes the Company’s approach to corporate governance and addresses the Company’s compliance with NP 58-101, which requires certain disclosure by the Company of its corporate governance practices.

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Board is of the view that the Company’s general approach to corporate governance, summarized below, is appropriate and substantially consistent with objectives reflected in the guidelines for improved corporate governance in Canada adopted by the Canadian Securities Administrators (the “**Governance Policy**”).

The Governance Policy suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “unrelated”, or “independent”, directors. An “unrelated” director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be

perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholdings. In addition, where a company has a significant shareholder, the Governance Policy suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder.

The Company's has a combined Audit and Corporate Governance Committee. The current members of the Corporate Governance Committee are: Desmond M. Balakrishnan (Chair), Matthew Cicci and Honourable Stockwell Day. Matthew Cicci and Honourable Stockwell Day are independent members, as contemplated by NI 58-101. Desmond M. Balakrishnan is not an independent member as he is currently a partner in a law firm that provides legal services to the Company.

In assessing the Governance Policy and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

### **Board Mandate**

The Board will facilitate independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board will have access to the Company's external auditors, legal counsel and to any of the Company's officers.

The Board will have a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals.

The day-to-day management of the business and affairs of the Company will be delegated by the Board to the senior officers of the Company. The Board will give direction and guidance through the CEO to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board will recommend nominees to the shareholders for election as directors, and immediately following each annual general meeting will appoint members of the Audit Committee.

To facilitate open and candid discussion among its independent directors, such directors will be encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Company.

### **Position Description**

Because the Board is a small, working board, it has not developed written position descriptions and does not have a process for assessing the performance of the Directors or the chair of Board committees.

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 such company. Corporate governance encourages establishment of 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**

Management is nominating five individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship which could, in the view of the company's board, reasonably interfere with the exercise of a director's independent judgement.

Four of the Company's current members of the Board are considered "independent" within the meaning of NI 52-110. Desmond M. Balakrishnan is not an independent member of the Board as he is currently a partner in a law firm that provides legal services to the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

The Board recommends nominees to the shareholders for election as directors. Immediately following each annual general meeting, the Board is to appoint an Audit Committee and the chairperson of the Audit Committee. The Board establishes and periodically reviews and updates the Audit Committee mandates, duties and responsibilities, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and the President. The Board will give direction and guidance through the CEO to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board believes management is responsible for the effective, efficient and prudent management of the Company's day-to-day operations subject to the Board's stewardship. The CEO is responsible to lead and manage the Company within parameters established by the Board and its committees. The CEO also develops and recommends strategic plans to the Board and involves the Board in the early stages of developing such strategic plans. Additionally, the CEO is expected to successfully implement capital and operating plans, report regularly to the Board on the overall progress and results against the operating and financial objectives and initiate courses of action for improvement and develop and maintain a sound, effective organizational structure, including progressive employee training and development programs. The CEO's objectives will be discussed and reviewed at least annually with the Board.

The CEO is expected to set Board meeting schedules and agendas and oversee the process whereby the Board receives full, timely and relevant information to support the Board's decision making obligations. The chairperson of each Board committee is expected to be responsible for ensuring that any written mandate of the committee for which he or she serves as chairperson is adhered to and that the objectives of each committee are accomplished.

### Directorships

One of the director nominees of the Company who participates as a director for other listed companies is set out below:

Name	Name of Reporting Issuer	Name of Exchange or Market
<b>Desmond M. Balakrishnan</b>	Axcap Ventures Inc. (formerly Netcoins Holdings Inc.)	CSE
	Basin Uranium Corp. (formerly Black Shield Metals Corp.)	CSE
	Coloured Ties Capital Inc. (formerly GrowMax Resources Corp.)	TSXV
	Contagious Gaming Inc.	TSXV
	Eat Well Investment Group Inc.	CSE
	First Uranium Resources Ltd. (formerly Karam Minerals Inc.)	CSE
	Hempfusion Wellness Inc.	TSX
	Isracann Biosciences Inc.	CSE
	Northern Dynasty Minerals Ltd.	TSX/NYSE American
	Planet Ventures Inc.	TSXV
	Savannah Minerals Corp. (formerly Upper Canyon Minerals Corp.)	TSXV (NEX)
	Solution Financial Inc.	TSX

### Orientation and Continuing Education

The Company does not provide a formal orientation and education program for new directors of the Company. However, any new directors will be given the opportunity to: (a) familiarize themselves with the Company, the current directors and members of management; (b) review copies of recently publicly filed documents of the Company, technical reports and the

Company's internal financial information; (c) have access to technical experts and consultants; and (d) review a summary of significant corporate and securities legislation. Directors are also given the opportunity for continuing education.

Board meetings may also include presentations by the Company's management and consultants to give the directors additional insight into the Company's business.

### **Nomination of Directors**

The Board does not currently have a nominating committee, and these functions are currently performed by the Board as a whole.

In its obligations relating to, among other things, identification of qualified candidates for appointment to the Board, its committees, and other members of senior management, the Board will annually review and assess the size, composition and operation of the Board to ensure effective decision-making, and will make recommendations concerning nominations for consideration. The Board will also: i) recommend the individuals who are to be proposed for nomination to be elected as a director at the annual shareholders meeting of the Company; ii) review and make recommendations as to the designation of independent directors and financial experts; and iii) review the Company's policies on tenure and the terms of individual directorships and Board committee chairpersons.

The Board will consider its size each year when it considers the number of directors to recommend to its 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 a diversity of views and experience. Accordingly, in light of the Company's state of development, the Board considers five directors to be appropriate.

As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute more formal standing committees, such as a Nominating Committee, and will ensure that such committee is governed by a written charter and be composed of a majority of independent directors.

### **Compensation Governance**

The quantity and quality of the Board compensation and compensation paid to the CEO will be reviewed on an annual basis and determined by the Board as a whole, which will allow the independent directors to have input into compensation decisions. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director or officer of the Company.

As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute more formal standing committees, such as a Compensation Committee, and will ensure that such committee is governed by a written charter and be composed of a majority of independent directors.

### **Ethical Business Conduct**

The Board currently does not have a written code of ethics, but views good corporate governance as an integral component to the success of the Company. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by the applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Other Board Committees**

The Company's Audit and Corporate Governance Committee and Science and Technology Advisory Committee are the only committees formed by the Company.

#### Science and Technology Advisory Committee

The Company established a Science and Technology Advisory Committee ("STAC") to comprise industry specialists to assist the Company. Graydon Flatt was appointed to act as Chairman of this Committee. Graydon received his postgraduate degree in theoretical physics from the University of Cambridge (UK) and is completing his PhD in Applied Physics at Columbia University. His academic focus has also included research at the Institute of Quantum Computing and the California NanoSystems Institute. The other members of STAC are Dr. John Waterer, PhD, and Gordon Flatt.

As Chairman of STAC, Graydon Flatt will provide assistance to the Company with regards to the following general areas:

- (a) reviewing and commenting upon business and competitive issues, proposals, plans, industry trends, corporate initiatives, strategy, new business development, potential acquisitions as may be requested by the Company's members of senior management team from time to time;

- (b) attend meetings as requested from time-to-time by the Company's senior management team and to render advice on issues discussed at such meetings; and
- (c) devote appropriate time and attention to the business and affairs of the Company as a member of STAC.

#### **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 any committees of the Board.

An informal process of assessing the performance of Board committees and individual directors will be conducted by way of engagement and dialogue between the individual directors.

#### **STATEMENT OF EXECUTIVE COMPENSATION – Venture issuers**

For the purposes of the below disclosure:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation - Venture Issuers*, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

#### **DIRECTOR AND NAMED EXECUTIVE COMPENSATION**

Currently, the Company has three NEOs and five directors who are not NEOs. The NEOs of the Company are Jo-Anne O'Connor, CEO and President who was appointed an Officer of the Company on October 19, 2020, Carol Fozo CPA, CMA who was appointed CFO of the Company on October 19, 2020 and appointed Secretary on December 30, 2020 and John Waterer, PhD who joined the executive team effective August 1, 2021 as Chief Science Officer and Director of Life Science. The directors of the Company who are not NEOs are: Honourable Stockwell Day, Gordon Flatt, Desmond M. Balakrishnan, Matthew Cicci, CFA and Dickson Gould.

Honourable Stockwell Day, Gordon Flatt, Matthew Cicci, and Desmond M. Balakrishnan were appointed directors of the Company on October 19, 2020. Dickson Gould was appointed a director of the Company on May 1, 2021.

#### **Oversight and Description of Director and NEO Compensation**

Current management of the Company does not have a compensation committee or a formal compensation policy. The Company will rely solely on the directors to determine the compensation of the Named Executive Officers. In determining compensation, the directors will consider industry standards and the Company's financial situation. At current date, the Company does not have any formal objectives or criteria. The performance of each executive officer will be informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole will seek to accomplish the following goals:

- to recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;

- to motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- to align the interests of executive officers with the long-term interests of shareholders through participation in the Company's Stock Option Plan.

When considering the appropriate executive compensation to be paid to the Company's officers, the Board will have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

The Company has limited financial resources to ensure that funds are available to complete its business objectives. As a result, the Board must consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company both in the mid-term and the long-term. Because stock options do not require cash disbursement by the Company they are an important element of executive compensation.

The Board will assess the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board will consider the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors.

#### **Compensation Review Process**

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's Stock Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. The Board will determine the number of stock options to be awarded under its Stock Option Plan. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. Options are granted to reward individuals for current performance, expected future performance and value to the Company. The size of awards made subsequent to the commencement of employment takes into account stock options already held by the individual.

At this time the Company's current NEOs and directors are not allowed to hedge risk the Company's securities.

#### **Compensation of Board Members and Named Executive Officers**

Compensation for each of the Board members and each of the NEOs will be approved by the Board as a whole. Base cash compensation and variable cash compensation levels are based, in part, on assessing appropriate compensation being paid to peer group companies at a similar stage of development.

#### **Philosophy and Objectives**

The compensation program for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

The Company relies solely on the discussions of the Board, without any formal objectives, criteria and analysis, for determining executive compensation.

#### **Elements of Executive Compensation Program**

The Company's compensation program consists of the following elements:

- (a) base salary or management fees;
- (b) bonus payments; and

- (c) equity participation through the Company’s Stock Option Plan.

### Base Salary or Management Fees

The primary element of the Company’s compensation program is base salary. The Company’s view is that a competitive base salary is a necessary element for retaining qualified executive officers. The amount payable to an executive officer as base salary will be determined primarily by the number of years of experience, personal performance, and by comparisons to the base salaries and total compensation paid to executives of comparable publicly-traded companies within the industry of the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies similar to the industry of the Company and which are similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer’s overall performance and performance in relation to the achievement of corporate milestones and objectives.

### Share-Based and Option-Based Awards

The Company does not grant share-based awards. Stock option grants (option-based awards) are made on the basis of the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The recipients of incentive stock options and the terms of the stock options granted are determined from time to time by the Board. The exercise price of the stock options granted will be generally determined by the market price at the time of grant. Refer to heading below **PARTICULARS OF MATTERS TO BE ACTED UPON – Ratification of New Form Share Option Plan**”.

### NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs of the Company, excluding options and compensation securities for financial years ended December 31, 2021 and December 31, 2020. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” in this Information Circular.

Name and principal position	Year	Salary (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	Value of All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Jo-Anne O’Connor CEO and President	2021	---	---	\$551,000	---	---	---	\$551,000
	2020	---	---	---	---	---	\$25,000	\$25,000
Carol Fozo, CPA CFO and Secretary	2021	---	---	\$529,000	---	---	---	\$529,000
	2020	---	---	---	---	---	\$25,000	\$25,000



Name and principal position	Year	Salary (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	Value of All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
John Waterer, PhD Chief Science Officer and Director of Life Science	2021	\$125,000	---	---	---	---	---	\$125,000
	2020	---	---	---	---	---	---	---
Kenneth W. Morgan <sup>(1)</sup> former CEO, former President and former Director	2021	---	---	---	---	---	---	---
	2020	\$92,861	---	---	---	---	\$1,200,000	\$1,292,861
Winnie Wong <sup>(2)</sup> former CFO and former Secretary	2021	---	---	---	---	---	---	---
	2020	---	---	---	---	---	\$35,641 <sup>(1)</sup>	\$35,641 <sup>(1)</sup>

Notes:

- (1) Kenneth W. Morgan resigned as CEO, President and a director of the Company on October 19, 2020.
- (2) Pacific Opportunity Capital Ltd. (“POC”), a company of which Winnie Wong, Vice President, charged a total of \$35,641 and \$52,377, for accounting and management fees during 2020 and, 2019 respectively. Winnie Wong resigned as CFO and Secretary of the Company on October 19, 2020.

*Kenneth W. Morgan:* The Company entered into an agreement (the “**Yew Street Agreement**”) dated April 20, 2001, as amended, with Yew Street Capital Corporation (“**Yew Street**”), a private company wholly-owned by Mr. Morgan. Pursuant to the Yew Street Agreement, Mr. Morgan provides management consulting services, through Yew Street, to the Company. The Company paid to Yew Street a salary of \$4,200 per month from January 1, 2014 to October 31, 2014; \$9,200 from November 1, 2014 to May 31, 2015; and \$9,660 from June 1, 2015 to October 18, 2020. Mr. Morgan resigned as CEO, President and a director of the Company on October 19, 2020. During the year ended December 31, 2020, Mr. Morgan was paid management fees of \$92,860 and severance of \$250,000 by the Company to Yew Street Capital Corporation. In addition, an indemnification release payment of \$950,000 was paid in trust to legal counsel of Yew Street Capital Corporation.

*Winnie Wong:* The Company paid a total of \$35,641 during the financial year ended 2020 to POC, a company which Ms. Wong was Vice President for the management and accounting services of an accounting and administrative team during 2020. Ms. Wong resigned as CFO and Secretary of the Company on October 19, 2020.

**Management compensation and related party expenses**

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

		2021	2020
Management Fees	\$	1,087	143
Salaries		129	---
Director fee & committee fees		76	33
Legal fees		76	29
Commission expense		21	---
Accounting and rent		--	46

	2021	2020
Severance and release payments	--	1,450
	<b>1,389</b>	<b>1,701</b>

At December 31, 2021, management includes five directors and three members of the management executive team (December 31, 2020 - four directors and two members of the management executive team). For the year ended December 31, 2021, three of the five directors waived their director fees. One director is a partner of McMillan LLP, a firm which provides legal services to the Company. For the year ended December 31, 2021, legal fees paid to a related party were \$76 of which \$26 is included in share issue costs. One director is a senior managing director of Canaccord Genuity Wealth Management. For the year ended December 31, 2021, commission paid to a related party were \$21.

For the year ended December 31, 2020, management fees were paid to a company controlled by the former CEO and accounting fees and rent were paid to a company controlled by a former director of the Company.

At December 31, 2021, \$20 payable to McMillan LLP and \$880 payable to the executive management team were included in due to related parties (at December 31, 2020 - \$13 payable to McMillan LLP, \$50 payable to the executive team and \$7 payable to a company controlled by a former director of the Company).

#### Director Compensation at December 31, 2021

Other than compensation paid to the Company's NEOs, and except as set out in this Information Circular, no compensation was paid to the former directors of the Company during the Company's financial year ended December 31, 2021, in their capacity as directors of the Company of compensation paid or accrued during the Company's financial year ended December 31, 2021, to the Company's former directors, in their capacity as members of a committee of the Board, or as consultants or experts, other than the NEOs previously disclosed:

#### Director Compensation Table

Name	Fees Earned <sup>(1)</sup> (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Honourable Stockwell Day, Chairman	\$50,000	---	---	---	---	\$50,000
Dickson Gould	\$10,000	---	---	---	---	\$10,000

Note: For the year ended December 31, 2021, three of the five directors waived their director fees

#### Termination and Change of Control Benefits at December 31, 2021

The table below sets out the estimated incremental payments, payables and benefits due to each of the NEOs on termination without cause assuming termination on December 31, 2021.

Name	Base Salary (\$)	Bonus (\$)	Option-Based Awards (\$)	All Other Compensation (\$)	Total (\$)
Jo-Anne O'Connor President and Chief Executive Officer	N/A	N/A	N/A	N/A	N/A
Carol Fozo, Chief Financial Officer and Secretary	N/A	N/A	N/A	N/A	N/A
John Waterer, Chief Science Officer and Director of Life Science	N/A	N/A	N/A	N/A	N/A

The table below sets out the estimated incremental payments, payables and benefits due to each of the NEOs on termination on a change of control or resignation for good cause following a change of control assuming termination or resignation on December 31, 2021.

Name	Base Salary (\$)	Bonus (\$)	Option-Based Awards (\$)	All Other Compensation (\$)	Total (\$)
Jo-Anne O'Connor President and Chief Executive Officer	N/A	N/A	N/A	N/A	N/A
Carol Fozo, Chief Financial Officer and Secretary	N/A	N/A	N/A	N/A	N/A
John Waterer, Chief Science Officer and Director of Life Science	N/A	N/A	N/A	N/A	N/A

### Stock Options and Other Compensation Securities

#### *Stock Option Plan (Option-Based Awards)*

The Company's 10% "rolling" share option plan was adopted on December 4, 2008, as amended on June 9, 2011, which share option plan was approved by shareholders for continuation at the Company's December 29, 2021 annual general meeting (the "**2011 Option Plan**"). The number of Class A Common Shares which may be issued pursuant to options granted under the Option Plan ("**Options**") is a maximum of 10% of the issued and outstanding Class A Common Shares, on a non-diluted basis, at the time of the grant. The purpose of the share option plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through Options, to acquire Class A Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Company has no other security based compensation plans.

On November 24, 2021, the TSX Venture Exchange adopted a new policy 4.4 governing security based compensation. The changes to the policy generally relate to the expansion of the policy to cover a number of types of security based compensation in addition to stock options.

#### New Form Share Option Plan (Option-Based Awards)

On April 25, 2022, the Board adopted a new form share option Plan (the "**New Option Plan**") to replace the 2011 Option Plan, to reflect a number of the amendments to comply with TSX Venture Exchange Policy 4.4 – *Security Based Compensation*.

The New Option Plan is also a rolling share option plan pursuant to which up to 10% of the outstanding Class A common shares ("**Common Shares**" or "**Shares**") may be reserved for issue from time to time, less the number of shares reserved for issue under any other share compensation arrangement.

The New Option Plan has been conditionally approved by the TSX Venture Exchange, subject to receipt of shareholder approval at the Meeting.

The material terms of the New Option Plan are as follows:

- (a) Persons who are Service Providers, being a *bona fide* Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers are eligible to receive grants of Options under the New Option Plan;
- (b) the maximum aggregate number of Common Shares that may be reserved for issuance under this Plan, together with all other Security Based Compensation Plans, at any point in time is 10% of the Outstanding Shares as at the date of grant or issuance of any Security Based Compensation under any of such Security Based Compensation Plans;

- (c) the New Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the TSX Venture, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the TSX Venture:
- (i) the maximum number of Common Shares that may be issued to any one Option Plan Participant (and where permitted pursuant to the policies of the TSX Venture), any company that is wholly-owned by this Plan Participant under the New Option Plan, together with any other security based compensation arrangements, within a twelve (12) month period, may not exceed 5% of the issued Common Shares calculated on the date of grant;
  - (ii) the maximum number of Common Shares that may be issued to insiders collectively under the New Option Plan, together with any other security based compensation arrangements, within a twelve (12) month period, may not exceed 10% of the issued Common Shares calculated on the date of grant; and
  - (iii) the maximum number of Common Shares that may be issued to insiders collectively under the New Option Plan, together with any other security based compensation arrangements, may not exceed 10% of the issued Common Shares at any time.

For so long as such limitation is required by the TSX Venture, the maximum number of Options which may be granted within any twelve (12) month period to the New Option Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Common Shares, and such Options must vest in stages over twelve (12) months with no more than 25% vesting in any three month period. In addition, the maximum number of Common Shares that may be granted to any one consultant under the New Option Plan, together with any other security based compensation arrangements, within a twelve (12) month period, may not exceed 2% of the issued Common Shares calculated on the date of grant.

Investor Relations Service Providers cannot receive any security based compensation other than Options.

- (a) the Exercise Price of an Option will be set by the Board at the time such Option is allocated under the New Option Plan, and cannot be less than the Discounted Market Price;
- (b) the term of an Option will be set by the Board at the time such Option is allocated under the New Option Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date;
- (c) Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the New Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
  - (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
  - (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period;
- (d) Options granted to Investor Relations Service Providers will vest such that:
  - (a) no more than 25% of the Options vest no sooner than three months after the Options were granted;
  - (b) no more than another 25% of Options vest no sooner than six months after the Options were granted;
  - (c) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
  - (d) the remainder of the Options vest no sooner than 12 months after the Options were granted;
- (e) in the case of an Optionee being dismissed from employment or service for Cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate on the Termination Date without right to exercise same;
- (f) all options granted shall be evidenced by written option agreements;
- (g) the Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:
  - (a) the New Option Plan, together with any other Security Based Compensation Plans, could result at any time in:
    - i. the aggregate number of Common Shares reserved for issuance to Insiders exceeding 10% of the Outstanding Shares; or

- ii. the aggregate number of Common Shares reserved for issuance to Insiders within any 12-month period exceeding 10% of the Outstanding Shares; or,
  - iii. the aggregate number of Common Shares reserved issuance to any one individual Participant or Service Provider, within any 12-month period, exceeding 5% of the Outstanding Shares;
- (b) any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option held by an Insider at the time of the proposed amendment, is subject to disinterested shareholder approval in accordance with the policies of the TSX Venture;
- (h) amendments as reduce, and do not increase, the benefits of the New Option Plan to Service Providers any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option, held by an Insider at the time of the proposed amendment is subject to disinterested shareholder approval in accordance with the policies of the TSXV;

The New Option Plan also allows for option holders to exercise options on a “Cashless Exercise” or “Net Exercise” basis, as now expressly permitted by TSX Venture Exchange new Policy 4.4. “Cashless Exercise” is a method of exercising stock options in which a securities dealer loans funds to the option holder or sells the same shares as those underlying the option, prior to or in conjunction with the exercise of options, to allow the option holder to fund the exercise of some or all of their options. “Net Exercise” is a method of option exercise under which the option holder does not make any payment to the issuer for the exercise of their options and receives on exercise a number of shares equal to the intrinsic value (current market price less the exercise price) of the option valued at the current market price. Under TSX Venture Policy 4.4, the current market price must be the 5-day volume weighted average trading price prior to option exercise. “Net Exercise” may not be utilized by persons performing investor relations services.

Pursuant to section 4.4. of the New Option Plan, in the event of a Cashless Exercise or Net Exercise, the number of Options exercised, surrendered or converted, and not the number of Common Shares actually issued by the Company, must be included in calculating the limits set forth in sections 2.2, 2.6 and 2.10 of the New Option Plan.

Pursuant to the Board's authority to govern the implementation and administration of the New Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the New Option Plan.

Refer to heading below **PARTICULARS OF MATTERS TO BE ACTED UPON – Ratification of New Form Share Option Plan**”.

A copy of the New Option Plan is attached as Schedule “B” to this Information Circular and will be made available for presentation to the Shareholders at the Meeting.

#### **Incentive Plan Awards**

There were no outstanding stock options during financial years ended December 31, 2021 and December 31, 2020. There were no share-based awarded during financial years ended December 31, 2021 and December 31, 2020.

#### **Exercise of Compensation Securities by NEOs**

There were no options exercised during financial years ended December 31, 2021 and December 31, 2020.

#### **Pension Plan Benefits**

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.

#### **NORMAL COURSE ISSUER BID**

On September 20, 2021, the Company obtained an approval from the TSX Venture Exchange to undertake a normal course issuer bid to allow the Company to purchase up to 471,846 of its Class A Common Shares, representing approximately 5% of its issued and outstanding Class A Common Shares. Purchases may be made on the open market through the facilities of the TSX Venture Exchange by the designated broker until September 19, 2022.

During the year ended December 31, 2021, Nil Class A Common Shares were purchased for \$Nil, Subsequent to the year ended December 31, 2021, 60,400 Class A Common Shares were purchased for \$150 thousand and returned to treasury and cancelled.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The only equity compensation plan the Company has in place is a 10% “rolling” share option plan which was adopted on December 4, 2008, as amended on June 9, 2011, which share option plan was approved by shareholders for for continuation at the annual general meeting of the Company held December 29, 2021. Refer to heading below “**PARTICULARS OF MATTERS TO BE ACTED UPON – Ratification of New Form Share Option Plan.**”

The following table sets out equity compensation plan information as at the Company’s financial year ended December 31, 2021:

**Equity Compensation Plan Information**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options,(a)</b>	<b>Weighted-average exercise price of outstanding options (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)</b>
Equity compensation plans approved by the securityholders – 2011 Option Plan	Nil	\$Nil	943,692
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
<b>Total</b>	<b>Nil</b>		<b>943,692</b>

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than as set out in this Information Circular, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set out in this Information Circular, to the knowledge of management of the Company, no informed person of the Company, proposed director of the Company, or any associate or affiliate of any informed person or proposed director of the Company has any interest, director or indirect, in any transaction since the commencement of the Company’s financial year ended December 31, 2021 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

“**Informed Person**” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

**MANAGEMENT CONTRACTS**

Other than as set out in this Information Circular, there are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Ratification of New Form Share Option Plan

As described in this Information Circular above, under heading **Stock Options and Other Compensation Securities**, on April 25, 2022, the Board adopted a new form share option plan. The TSX Venture Exchange conditionally approved the new form share option plan, subject to receipt of shareholder approval at the Meeting.

The policies of the TSX Venture Exchange require that a “rolling” stock option plan receive yearly shareholder ratification at a company’s annual general meeting.

#### *New Option Plan Ratification Resolution*

At the Meeting, shareholders will be asked to consider, and if thought fit, to ratify, confirm and approve the Company’s new share option plan by way of an ordinary resolution. The full text of the resolution is set out below. In order to be passed, the resolution requires the approval of a majority of the votes cast thereon by shareholders of the Company present in person or represented by proxy at the Meeting.

“**RESOLVED** as an ordinary resolution. with or without variation, that:

- (a) the Company’s share option plan (“**New Share Option Plan**”) as described in the Company’s Information Circular dated for reference June 2, 2022, be and is hereby ratified, confirmed and approved;
- (b) subject to the effectiveness of the New Share Option Plan, all existing stock options of the Company’s share option plan dated for reference December 4, 2008, as amended on June 9, 2011 shall be governed by the terms of the New Share Option Plan;
- (c) the board of directors of the Company (the “Board”) or any committee thereof be and is hereby authorized, in its absolute discretion, to administer the New Share Option Plan and amend or modify the New Share Option Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange;
- (d) the Company is hereby authorized to allot and issue as fully paid and non-assessable that number of Class A Common Shares granted to eligible Participants under the New Share Option Plan;
- (e) option holders under the New Share Option Plan are permitted to exercise options on a “Cashless Exercise” or “Net Exercise” basis, with the exception of persons performing investor relation services;
- (f) any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds, and things and execute, under the seal of the Company or otherwise, all such documents as may be required to give effect to this resolution; and
- (g) to the extent permitted by law, the Company be authorized to abandon all or any part of the New Share Option Plan if the Board deems it appropriate and in the best interest of the Company to do so.”

**The directors of the Company unanimously recommend that shareholders vote in favour of the New Share Option Plan.**

**IT IS INTENDED THAT THE CLASS A COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE ABOVE NEW OPTION PLAN RATIFICATION RESOLUTION.**

### ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Company’s comparative annual financial statements for the years ended December 31, 2021 and December 31, 2020, a copy of which, together with the auditor’s report thereon, and the related management’s discussion and analysis, can be found under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at Tel.: 1-833-743-4743 /Fax: 1-833-743-4743.



**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 Information Circular.

The contents of this Information Circular and its distribution to shareholders has been approved by the Board.

DATED at Calgary, Alberta, June 8, 2022.

**ON BEHALF OF THE BOARD**

*“Jo-Anne O’Connor”*

**Jo-Anne O’Connor**  
**Chief Executive Officer and President**

**SCHEDULE “A”  
STRATEGEM CAPITAL CORPORATION**

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**Audit Committee Charter**

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**The Charter**

The Company’s Audit Committee Charter was established on August 23, 2004.

*Mandate*

The primary function of the Company’s audit committee (the “Committee”) is to assist the Company’s Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

*Composition*

The Committee shall be comprised of a minimum of three directors from the Board of Directors. If the Company ceases to be a “venture issuer” (as that term is defined in NI 52-110), then all of the members of the Committee shall be free from any direct or indirect material relationship that, in the opinion of the Board of Directors, could reasonably interfere with the exercise of the member’s independent judgment.

If the Company ceases to be a “venture issuer” (as that term is defined in NI 52-110), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level 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 Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

*Meetings*

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

*Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
  - (a) review and update this Charter annually; and
  - (b) review the Company’s financial statements, MD&A (management’s discussion and analysis) and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors

- (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement from the external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
- (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
- (k) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting, following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting processes, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

**SCHEDULE "B"**

**STRATEGEM CAPITAL CORPORATION**

NEW SHARE OPTION PLAN DATED APRIL 25, 2022

**STRATEGEM CAPITAL CORPORATION**  
**(the “Company”)**

**SHARE OPTION PLAN**

**Dated for Reference April 25, 2022**

**ARTICLE 1**  
**PURPOSE AND INTERPRETATION**

**Purpose**

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies and any inconsistencies between this Plan and TSX Venture Policies will be resolved in favour of the latter.

**Definitions**

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means a restriction formally imposed by the Company, pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, on all or any of its Participants whereby such Participants are prohibited from exercising, redeeming or settling their Options;
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Cause** means “Just Cause” as defined in the Participant’s employment agreement or agreement for services with the Company or one of its Affiliates, or if such term is not defined or if the Participant has not entered into an employment agreement or agreement for services with the Company or one of its Affiliates, then any circumstance that would permit the Company to terminate a Participant’s employment or agreement for services without notice of termination, or payment in lieu of notice of termination, severance pay or benefits continuation under the applicable law;
- (f) **Change of Control** means the occurrence of any of:
  - (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Company or any of its affiliates or subsidiary) thereafter acquires the direct or indirect “beneficial

ownership” (as defined in the *Business Corporations Act* (British Columbia)) of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a take-over bid, an issuance or exchange of securities, an amalgamation of the Company with any other person, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company);

(iii) the occurrence of a transaction requiring approval of the Company’s security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);

(iv) a majority of the Board consists of individuals which management of the Company has not nominated for election or appointment as directors; or

(v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

(g) **Common Share** means the Class A common shares without par value in the capital of the Company providing such class is listed on the TSX Venture;

(h) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(i) **Consultant** means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or any of its subsidiaries) or Company that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the Company, as the case may be; and

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries;

(j) **Consultant Company** means a consultant that is a company for an individual consultant, a company;

(k) **“Date of Termination”** means, for a Service Provider, the last day that the Service Provider actively provides services to the Company without regard to any notice of termination or pay in lieu of notice thereof, deemed or notional notice period, or period during which the



Service Provider receives pay in lieu of notice, termination pay, severance payments, or salary continuance, whether pursuant to statute, agreement, common law or otherwise;

(l) **Director** means a director (as defined under applicable securities laws) of the Company or any of its subsidiaries;

(m) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(n) **Disinterested Shareholder Approval** has the meaning assigned by Policy 4.4 Sections 5.3(b) and (c) of the TSX Venture Policies;

(o) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

(p) **Effective Date** for an Option means the date of grant thereof by the Board;

(q) **Employee** means:

(i) an individual who is considered an employee of the Company or of its subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;

(ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source;

(r) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(s) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

(t) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;

(u) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;

- (v) **Investor Relations Service Provider** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (w) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (x) **Management Company Employee** means an individual employed by a company providing management services to the Company which services are required for the ongoing successful operation of the business enterprise of the Company;
- (y) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (z) **Officer** means an officer (as defined under applicable securities laws) of the Company or any of its subsidiaries;
- (aa) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider under this Security Based Compensation Plan;
- (bb) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (cc) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (dd) **Optionee** means the recipient of an Option hereunder;
- (ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (ff) **Participant** means a Director, Officer, Employee, Management Company Employee or Consultant that is the recipient of Security Based Compensation granted or issued by the Company;
- (gg) **Person** includes a company, any unincorporated entity, or an individual;
- (hh) **Plan** means this security based share option plan, the terms of which are set out herein or as may be amended;
- (ii) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under this Plan as provided in §2.2;
- (jj) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over this Plan and any Options issued hereunder;
- (kk) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ll) **Security Based Compensation** includes any Deferred Share Unit, Performance Share Unit, Restricted Share Unit, Securities for Services, Stock Appreciation Right, Stock Option, Stock Purchase Plan, any security purchase from treasury by a Participant which is financially assisted by the Company by any means whatsoever, and any other compensation or incentive

mechanism involving the issuance or potential issuance of Common Shares of the Company from treasury to a Participant, including Common Shares issued in accordance with Part 6 of TSX Venture Policy 4.4 – *Security Based Compensation*;

(mm) **Security Based Compensation Plan** includes any Stock Option Plan, DSU Plan, PSU Plan, RSU Plan, SAR Plan, SP Plan (as defined in TSX Venture Policies) and/or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares of the Company from treasury to a Participant (excluding any Common Shares for Services arrangement that has been conditionally accepted by the TSX Venture under TSX Venture Policy 4.3 – *Shares for Debt* prior to November 24, 2021);

(nn) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(oo) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

(pp) **Take Over Bid** means a take over bid as defined in National Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

(qq) **TSX Venture** means the TSX Venture Exchange and any successor thereto;

(rr) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time; and

(ss) **VWAP** means the volume-weighted average trading price of the Common Shares on the TSX Venture calculated by dividing the total value by the total volume of the Common Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the TSX Venture may exclude internal crosses and certain other special terms trades from the calculation.

### **Other Words and Phrases**

1.3 Words and phrases used in this Plan but which are not defined in this Plan, but are defined in the TSX Venture Policies, will have the meaning assigned to them in the TSX Venture Policies.

### **Gender**

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **ARTICLE 2 SHARE OPTION PLAN**

### **Establishment of Share Option Plan**

2.1 This Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

### **Maximum Plan Shares**

2.2 The maximum aggregate number of Common Shares that may be reserved for issuance under this Plan, together with all other Security Based Compensation Plans, at any point in time is up to 10% of the Outstanding Shares as at the date of grant or issuance of any Security Based Compensation under any of such Security Based Compensation Plans.

### **Eligibility**

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

### **Options Granted Under this Plan**

2.4 All Options granted under this Plan will be evidenced by an Option Commitment in the form attached as Schedule A showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

### **Limitations on Participation**

2.6 This Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the TSX Venture, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the TSX Venture:

- (i) the maximum number of Common Shares that may be issued to any one Option Plan Participant (and where permitted pursuant to the policies of the TSX Venture), any company that is wholly-owned by this Plan Participant under this Plan, together with any other security based compensation arrangements, within a twelve (12) month period, may not exceed 5% of the issued Common Shares calculated on the date of grant;
- (ii) the maximum number of Common Shares that may be issued to insiders collectively under this Plan, together with any other security based compensation arrangements, within a twelve (12) month period, may not exceed 10% of the issued Common Shares calculated on the date of grant; and

- (iii) the maximum number of Common Shares that may be issued to insiders collectively under this Plan, together with any other security based compensation arrangements, may not exceed 10% of the issued Common Shares at any time.

For so long as such limitation is required by the TSX Venture, the maximum number of Options which may be granted within any twelve (12) month period to this Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Common Shares, and such Options must vest in stages over twelve (12) months with no more than 25% vesting in any three month period. In addition, the maximum number of Common Shares that may be granted to any one consultant under this Plan, together with any other security based compensation arrangements, within a twelve (12) month period, may not exceed 2% of the issued Common Shares calculated on the date of grant.

Investor Relations Service Providers cannot receive any security based compensation other than Options.

### **Exercised and Unexercised Options**

2.7 In the event an Option granted under this Plan is exercised, expires unexercised or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to this Plan and will be eligible for re-issuance.

### **Administration of this Plan**

2.8 The Board will be responsible for the general administration of this Plan and the proper execution of its provisions, the interpretation of this Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue this Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of this Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under this Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of this Plan so delegated to the same extent as the Board is hereby authorized so to do.

### **Amendment of this Plan by the Board of Directors**

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify this Plan or any Option granted as follows:

- (a) amendments which are of a typographical, grammatical, clerical nature only;

- (b) amendments of a housekeeping nature;
- (c) changes to the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (d) changes to the termination provision of an Option granted hereunder which does not entail an extension beyond the lesser of the original Expiry Date of such Option or 12 months from termination;
- (e) amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSX Venture;
- (f) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, amendments as may be required by the policies of such senior stock exchange or stock market;
- (g) such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option, held by an Insider at the time of the proposed amendment is subject to disinterested shareholder approval in accordance with the policies of the TSXV.

#### **Amendments Requiring Disinterested Shareholder Approval**

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) this Plan, together with any other Security Based Compensation Plans, could result at any time in:
  - (i) the aggregate number of Common Shares reserved for issuance to Insiders exceeding 10% of the Outstanding Shares;
  - (ii) the aggregate number of Common Shares reserved for issuance to Insiders within any 12-month period exceeding 10% of the Outstanding Shares; or
  - (iii) the aggregate number of Common Shares reserved for issuance to any one individual Participant or Service Provider, within any 12-month period, exceeding 5% of the Outstanding Shares;
- (b) any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option held by an Insider at the time of the proposed amendment, is subject to disinterested shareholder approval in accordance with the policies of the TSX Venture.

#### **Options Granted Under the Company's Previous Share Option Plans**

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

### **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

#### **Exercise Price**

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under this Plan, and cannot be less than the Discounted Market Price.

#### **Term of Option**

3.2 The term of an Option will be set by the Board at the time such Option is allocated under this Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date.

#### **Option Amendment**

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Except as provided under TSX Venture Policies:

- (a) any proposed amendment to the terms of an Option must be approved by the TSX Venture, and subject to shareholder approval where applicable, prior to the exercise of such Option;
- (b) the Company issues a news release outlining the terms of the amendment;
- (c) if the amendment is in respect of Security Based Compensation held by an Insider of the Company, the Company obtains disinterested Shareholder approval.

#### **Vesting of Options**

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under this Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

### **Vesting of Options Granted to Investor Relations Service Providers**

3.7 Notwithstanding §3.6, Options granted to Investor Relations Service Providers will vest such that:

- (a) no more than 25% of the Options vest no sooner than three months after the Options were granted;
- (b) no more than another 25% of Options vest no sooner than six months after the Options were granted;
- (c) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
- (d) the remainder of the Options vest no sooner than 12 months after the Options were granted.

### **Effect of Take-Over Bid**

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

### **Acceleration of Vesting on Change of Control**

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities. Notwithstanding the foregoing, if the Company is listed on the TSXV, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.

### **Extension of Options Expiring During Blackout Period**

3.10 The blackout period must expire following the general disclosure of the undisclosed Material Information. The expiry date, redemption date or settlement date, as applicable, of the affected Security Based Compensation can be extended to no later than ten (10) business days after the expiry of the blackout period, unless the delayed expiration would result in tax penalties or the Participant or the Company is subject to a cease trade order in respect of the Company's securities.

### **Optionee Ceasing to be Director, Employee or Service Provider**

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until



the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

(b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the Termination Date, and only to the extent that such Option was vested at the Termination Date; and

(c) in the case of an Optionee being dismissed from employment or service for Cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate on the Termination Date without right to exercise same.

### **Non Assignable**

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

### **Adjustment of the Number of Optioned Shares**

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

(a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore

purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company;

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees; and

(h) any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under this Plan is subject to the prior acceptance of the TSX Venture, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

## **ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES**

### **Option Commitment**

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to this Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

### **Manner of Exercise**

4.2 An Optionee who wishes to exercise his Option may do so by delivering:

(a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and

(b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.4.

## **Cashless Exercise**

4.3 Subject to the provisions of this Plan (including, without limitation, Section 4.5 and, upon prior approval of the Board, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

- (a) excluding Options held by any Investor Relations Service Provider, a “net exercise” procedure in which the Company issues to the Optionee, Common Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Common Shares; or
- (b) a broker assisted “cashless exercise” in which the Company delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations a determined by the Company against delivery of the Common Shares to settle the applicable trade.

An Option may be exercised pursuant to this §4.3 from time to time by delivery to the Company, at its head office or such other place as may be specified by the Company of (i) written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Optionee or the Company arising under applicable law and verified by the Company to its satisfaction (or by entering into some other arrangement acceptable to the Company in its discretion, if any). The Participant shall comply with Section 4.5 of this Plan with regard to any applicable required withholding obligations and with such other procedures and policies as the Company may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board in connection with such exercise.

4.4 In the event of a Cashless Exercise or Net Exercise, the number of Options exercised, surrendered or converted, and not the number of Common Shares actually issued by the Company, must be included in calculating the limits set forth in §2.2, §2.6 and §2.10 of this Plan.

## **Tax Withholding and Procedures**

4.5 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.5 and elsewhere in this Plan, and as a condition of exercise:

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

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

### **Delivery of Optioned Shares and Hold Periods**

4.6 As soon as practicable after receipt of the notice of exercise described in §4.2 or §4.3, as applicable, and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (a) Insiders of the Company; or
- (b) where Options are granted to any Service Provider, including Insiders, where the Exercise Price is at a discount to the Market Price.

4.7 Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

## **ARTICLE 5 GENERAL**

### **Employment and Services**

5.1 Nothing contained in this Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in this Plan by an Optionee is voluntary.

### **No Representation or Warranty**

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of this Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

### **Interpretation**

5.3 This Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

### **Continuation of Plan**

5.4 This Plan will become effective from and after July 13, 2022, and will remain effective provided that this Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to such effective date.

**Amendment of this Plan**

The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate this Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of this Plan will be subject to any necessary Regulatory Approvals and Shareholder Approval unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers; AND THAT the Company issue a news release outlining the terms of the amendment.

**SCHEDULE A**  
**SHARE OPTION PLAN**  
**OPTION COMMITMENT**

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, pursuant to the provisions of the Share Option Plan (the “Plan”) of Strategem Capital Corporation (the “Company”), the Company has granted to \_\_\_\_\_ (the “Optionee”), an Option to acquire \_\_\_\_\_ Common Shares (“Optioned Shares”) up to 5:00 p.m. (Vancouver Time) on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “Expiry Date”), or such earlier date as determined in accordance with the terms of this Plan, at an Exercise Price of Cdn\$ \_\_\_\_\_ per share.

[Optioned Shares are to vest immediately.]

**OR**

[Optioned Shares will vest (*INSERT VESTING SCHEDULE AND TERMS*)]

The grant of the Option evidenced hereby is made subject to the terms and conditions of this Plan, which are hereby incorporated herein and form part hereof. This Option Commitment and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in this Plan. This Option Commitment is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of this Plan and the records of the Company shall prevail.

To exercise the Option, (1) deliver a written notice in the form attached as Schedule B to this Plan (or in such other form as established by the Company) specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate exercise price, or (2) if the Optionee wishes to exercise the Option on a “net exercise” basis or “cashless exercise” basis in accordance Section 4.2(a) or Section 4.3(b) of this Plan and the Company’s Board of Directors approves the exercise on a “net exercise” basis or “cashless exercise” basis, deliver a written notice and comply with such other conditions as established by the Company for a “net exercise” or “cashless exercise”. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the Company or its transfer agent, if applicable, as soon as practicable thereafter and may bear a restrictive legend if required under applicable securities laws or the policies of the TSX Venture Exchange.

*[Note: If a four month hold period is applicable under the policies of the TSX Venture Exchange, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.*

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [*insert date 4 months from the date of grant*]”.]

The Company and the Optionee represent that the Optionee, under the terms and conditions of this Plan, is a bona fide Service Provider (as defined in this Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture Exchange as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture Exchange on the date of this Option Commitment.

**STRATEGEM CAPITAL CORPORATION**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
*[insert name of optionee]*

The Optionee acknowledges receipt of a copy of this Plan and represents to the Company that the Optionee is familiar with the terms and conditions of this Plan, and hereby accepts this Option subject to all of the terms and conditions of this Plan. The Optionee agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by applicable regulatory authorities.

Signature of Optionee:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date signed:

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

**SCHEDULE B  
TO STOCK OPTION PLAN**

Strategem Capital Corporation  
210 - 240 11 Ave. SW  
Calgary, Alberta Canada T2R 0C3

Re: Employee Stock Option Exercise

Attn: Stock Option Plan Administrator, Strategem Capital Corporation (the "Company")

This letter is to inform the Stock Option Plan Administrator that I, \_\_\_\_\_,  
wish to exercise \_\_\_\_\_ options, at \_\_\_\_\_ per share, on this \_\_\_\_ day of \_\_\_\_\_,  
20 \_\_\_\_.

Payment issued in favour of Strategem Capital Corporation for the amount of \$ \_\_\_\_\_ will  
be forwarded, including withholding tax amounts.

Please register the share certificate in the name of:

Name of Optionee: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Please send share certificate to:

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Sincerely,

\_\_\_\_\_  
Signature of Optionee

\_\_\_\_\_  
Date

\_\_\_\_\_  
SIN Number (for T4)