



6-6221 Highway 7  
Vaughan, Ontario, L4H 0K8

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of shareholders of **Drone Delivery Canada Corp.** (the “**Company**”) will be held on **Thursday, July 29, 2021**, at the hour of 1:00 p.m. (Eastern time), at the office of Irwin Lowy LLP, at 217 Queen Street West, Suite 401, Toronto, Ontario for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2020 and the report of the auditors thereon;
2. to pass, with or without variation, an ordinary resolution fixing the number of directors of the Company at seven;
3. to elect the directors of the Company;
4. to appoint the auditors of the Company and to authorize the directors to fix their remuneration;
5. to approve and confirm the stock option plan of the Company; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its her duly executed form of proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 not later than 1:00 p.m. (Eastern time) on Tuesday, July 27, 2021 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company has by resolution fixed the close of business on Friday, June 18, 2021 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

### COVID-19 GUIDANCE

**In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein and in the accompanying management information circular dated June 23, 2021 of the Company (the “Management Information Circular”). The Company is offering its shareholders the option to listen to the Meeting via Zoom. Shareholders attending via Zoom will not be able to vote at the Meeting. Please see details on how to listen to the Meeting in the accompanying Management Information Circular.**

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual general and special meeting. Additional information about the Company and its financial statements are also available on the Company’s profile at [www.sedar.com](http://www.sedar.com).

**DATED** at Toronto, Ontario this 23<sup>rd</sup> day of June, 2021.

**BY ORDER OF THE BOARD**

*“Michael Zahra” (signed)*

President, Chief Executive Officer and Director



6-6221 Highway 7  
 Vaughan, Ontario, L4H 0K8

**MANAGEMENT INFORMATION CIRCULAR  
 As at June 23, 2021**

**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF DRONE DELIVERY CANADA CORP.** (the “Company”) of proxies to be used at the annual general and special meeting of shareholders of the Company to be held on Thursday, July 29, 2021 at at the hour of 1:00 p.m. (Eastern time), and at any adjournment or postponement thereof (the “Meeting”) for the purposes set out in the accompanying notice of meeting (the “Notice of Meeting”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice of Meeting, this management information circular (the “Management Information Circular”), the annual consolidated financial statements of the Company for the financial year ended December 31, 2020 and related management’s discussion and analysis and other meeting materials, if applicable (collectively the “Meeting Materials”) to the beneficial owners of the common shares of the Company (the “Common Shares”) held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice of Meeting.

**COVID-19 GUIDANCE**

**In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out in the Notice and this Circular. The Company is offering its shareholders the option to listen to the Meeting via Zoom. Shareholders attending via Zoom will not be able to vote at the Meeting. Please see details on how to listen to the Meeting in this Management Information Circular.**

In order to listen to the Meeting, shareholders will need to call the applicable number listed below, and enter the meeting ID and password noted below:

<b>To dial using One tap mobile:</b>	+12532158782,,97009909674#,,,,*256777# US (Tacoma) +13017158592,,97009909674#,,,,*256777# US (Maryland)  <b>Meeting ID:</b> 970 0990 9674 <b>Password:</b> 256777
<b>To dial by location:</b>	+1 253 215 8782 US (Tacoma) +1 301 715 8592 US (Germantown) +1 312 626 6799 US (Chicago) +1 346 248 7799 US (Houston) +1 669 900 6833 US (San Jose) +1 929 205 6099 US (New York) +1 204 272 7920 Canada (Winnipeg) +1 438 809 7799 Canada (Montreal) +1 587 328 1099 Canada (Alberta) +1 647 374 4685 Canada (Toronto)

	+1 647 558 0588 Canada (Toronto) +1 778 907 2071 Canada (British Columbia)  To find your local number open the following link: <a href="https://zoom.us/j/97009909674">https://zoom.us/j/97009909674</a>  <b>Meeting ID:</b> 970 0990 9674 <b>Password:</b> 256777
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In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the meeting ID and password below or open the following link <https://zoom.us/j/97009909674?pwd=NjJ4eIFkUnBKU3oraFZsNFRIOTRSUT09>

**Meeting ID:** 970 0990 9674  
**Password:** 256777

Shareholders will have the option through the application to join the video and audio or simply view and listen. It is the shareholders' responsibility to ensure connectivity during the Meeting and the Company encourages its shareholders to allow sufficient time to dial in to the Meeting before it begins. It is strongly recommended that shareholders access the Meeting at least 5 minutes before the Meeting starts. Shareholders participating via Zoom will not be able to vote at the Meeting.

#### APPOINTMENT AND REVOCATION OF PROXIES

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

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company's transfer agent and registrar, Computershare Investor Services Inc., at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 (the "**Transfer Agent**"), not later than 1:00 p.m. (Eastern time) on Tuesday, July 27, 2021 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

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

<b>By Mail or Hand Delivery:</b>	Computershare Investor Services Inc. 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1
<b>Telephone:</b>	1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) You will need to provide your 15 digit control number (located on the form of proxy accompanying this Management Information Circular)

<b>Facsimile:</b>	1-866-249-7775 or 1-416-263-9524 (if outside North America)  You will need to provide your 15 digit control number (located on the form of proxy accompanying this Management Information Circular)
<b>By Internet:</b>	<a href="http://www.investorvote.com">www.investorvote.com</a>  You will need to provide your 15 digit control number (located on the form of proxy accompanying this Management Information Circular)

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

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: by (a) depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed by electronic signature, (i) to the registered office of the Company, located at Suite 600 – 890 West Pender Street, Vancouver, British Columbia V6C 1J9, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) any other manner permitted by law.

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

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Management Information Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Management Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

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

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

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

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

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

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

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

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

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

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

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

or,

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

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

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of

proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

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

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

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of June 18, 2021 (the "**Record Date**"), there were a total of 223,725,678 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

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

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

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON**

No director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than as disclosed in this Management Information Circular.

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

To the knowledge of the board of directors of the Company (the "**Board**"), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

### **1. PRESENTATION OF FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the year ended December 31, 2020 and the report of the auditor will be placed before the shareholders at the Meeting. No vote will be taken on the audited consolidated financial statements. The consolidated financial statements and additional information concerning the Company are available under the Company's profile at [www.sedar.com](http://www.sedar.com).

### **2. ELECTION OF DIRECTORS**

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

The directors of the Company determined that seven directors will be nominated at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Each director elected at the Meeting will hold office until the next annual general meeting of the shareholders of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the notice of articles or articles of the Company or the provisions of the BCBCA.

The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
Michael Zahra Ontario, Canada  President, Chief Executive Officer and Director	President, Chief Executive Officer of the Company	June 10, 2019	20,033	0.01%
Chris Irwin <sup>(2)(3)</sup> Ontario, Canada  Director	Partner of Irwin Lowy LLP, a law firm	May 31, 2016	425,000	0.19%
Michael Della Fortuna <sup>(4)</sup> Ontario, Canada  Chairman and Director	Chief Executive Officer of Nexeya Canada, an aerospace engineering firm	May 31, 2016	20,000	0.01%
Kevin Sherkin <sup>(3)</sup> Ontario, Canada  Director	Partner of Miller Thomson LLP, a law firm	February 25, 2019	15,000	0.01%
Vijay Kanwar <sup>(4)</sup> Ontario, Canada  Director	Co-Founder of KMH Cardiology and Diagnostics Centres, Chief Executive Officer of Lambardar Group Inc., President of EHLinq Inc. and Governor of York University Board of Governor	June 10, 2019	nil	nil
Debbie Fischer <sup>(4)(5)</sup> Ontario, Canada  Director	Executive-in-Residence at the Rotman School of Management at University of Toronto	November 9, 2020	nil	nil
Larry Taylor <sup>(3)(5)</sup> Ontario, Canada  Director	Chairman of Spark Power Corp., Chairman of VIQ Solutions Inc. and President of Taylor Made Solutions	November 9, 2020	nil	nil

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Held by Irwin Professional Corporation, a corporation controlled by Mr. Irwin.
- (3) Member of the Audit Committee.
- (4) Member of the Corporate Governance and Human Resources Committee.
- (5) The principal occupations of the director nominees who were not previously elected by the shareholders of the Company during the past five years are as follows:

*Debbie Fischer: Ms. Fischer, MHA, CHRE, ICD.d, is an experienced board director and has held senior leadership positions in big 4 professional consulting firms, government and hospitals. She is currently an Executive-in-Residence at the Rotman School of Management at University of Toronto and she consults on large-scale system transformation in health care and public sectors. She serves on several boards at provincial and national levels in a broad range of industries, including OMERS, North York General Hospital, OntarioMD and Prodemnity. She has served on supply chain company boards including, currently as a member of the Health Care Advisory Board of GSI Canada, and previously, Plexxus and OEMC.*

*Larry Taylor: Mr. Taylor has been President of Taylor Made Solutions since 2009. He currently sits as an independent board member for Continental Bank of Canada. Mr. Taylor is Chairman for the Green Energy Cooperative of Ontario, Chairman Spark Power Group Corp. (TSX: SPG) and Chairman of VIQ Solutions Inc. (TSX:VQS and OTCQX:VQSLF). Mr. Taylor is a Chartered Professional Accountant and a Certified Management Consultant. Mr. Taylor has previously held key senior executive positions with several companies including National Money Mart, Travelex Americas and Cap Gemini Ernst & Young Canada Inc. Mr. Taylor has experience working with private equity firms to identify, acquire and combine companies to create shareholder value.*

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

*Corporate Cease Trade Orders or Bankruptcies*

Other than as set forth below, no proposed director, within 10 years before the date of this Management Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

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

Mr. Irwin was a director, President and Secretary of Brighter Minds Media Inc. (“**Brighter Minds**”) from March 2009 to July 2014. Brighter Minds is subject to cease trade orders resulting from a failure to file financial statements as issued on May 11, 2009 by the British Columbia Securities Commission, May 13, 2009 by the Manitoba Securities Commission, May 8, 2009 and May 20, 2009 by the Ontario Securities Commission and August 19, 2009 by the Alberta Securities Commission. As of the date of this Management Information Circular, the cease trade orders have not been revoked or rescinded.

Mr. Irwin was a director from June 2015 to December 2017 and an officer from September 2015 to April 2016 of Playground Ventures Inc. (formerly, Bloeplay Entertainment Inc.) (“**Playground**”), which was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2016 by the British Columbia Securities Commission and May 4, 2016 and May 16, 2016 by the Ontario Securities Commission. These cease trade orders were revoked on July 5, 2016 by the British Columbia Securities Commission and July 6, 2016 by the Ontario Securities Commission. Playground was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2017 by the British Columbia Securities Commission and May 4, 2017 by the Ontario Securities Commission. These cease trade orders were revoked on July 5, 2017 by the British Columbia Securities Commission and July 6, 2017 by the Ontario Securities Commission.

Mr. Irwin was appointed as the President, Chief Executive Officer, Secretary and a director of Playground on September 28, 2018. Playground was subject to a management cease trade order resulting from a failure to file financial statements as issued on December 3, 2018 and amended on December 4, 2018 by the British Columbia Securities Commission and December 4, 2018 by the Ontario Securities Commission. These cease trade orders were revoked on February 6, 2019.

Mr. Irwin is a director and an officer of Intercontinental Gold and Metals Ltd. (“**Intercontinental**”) which was subject to a management cease trade order resulting from a failure to file financial statements as issued by the British Columbia Securities Commission on July 30, 2015. The cease trade order was revoked on September 22, 2015.

Mr. Irwin is a director and an officer of Intercontinental which was subject to a management cease trade order resulting from a failure to file financial statements as issued on August 2, 2018 by the British Columbia Securities Commission. Intercontinental was subject to a cease trade order from a failure to file financial statements as issued on October 5, 2018 by the British Columbia Securities Commission. These cease trade orders were revoked on October 9, 2018.

Mr. Irwin was a director of Wolf's Den Capital Corp., which was subject to a cease trade order issued by the British Columbia Securities Commission and Ontario Securities Commission on December 5, 2019 for failure to file its condensed interim financial statements and accompanying management's discussion and analysis for the period ended September 30, 2019, within the prescribed time period under applicable securities laws. These cease trade orders were revoked on January 6, 2020.

None of the proposed directors of the Company, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### ***Personal Bankruptcies***

None of the directors of the Company have, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

### ***Penalties and Sanctions***

None of the directors of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **3. APPOINTMENT OF AUDITOR**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF D&H GROUP LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** D&H Group LLP, Chartered Professional Accountants were first appointed as the auditors of the Company on February 2, 2011.

## **4. APPROVAL AND CONFIRMATION OF STOCK OPTION PLAN**

The Company has adopted a “rolling” stock option plan (the “**Stock Option Plan**”) for officers, directors, employees and consultants of the Company which was last approved by the shareholders at the annual general and special meeting of the shareholders of the Company held on August 20, 2020. The Stock Option Plan provides for the issue of stock options to acquire up to 10% of the Company’s issued and outstanding Common Shares as at the date of grant, subject to standard anti-dilution adjustment. This is a “rolling” stock option plan as the number of Common Shares reserved for issue pursuant to the grant of stock options will increase as the Company’s issued and outstanding share capital increases. At no time will more than 10% of the outstanding Common Shares be subject to grant under the Stock Option Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares in respect of that expired, exercised or terminated stock option shall again be available for the purpose of the Stock Option Plan.

The principal features of the Stock Option Plan are described in more detail below in the section entitled “*Statement of Executive Compensation – Stock Option Plan and other Incentive Plans*” and is qualified in its entirety by the full text of the Stock Option Plan which will be made available at the Meeting.

The Stock Option Plan is a “rolling” stock option plan and, under Policy 4.4 of the TSX Venture Exchange (“**TSXV**”), a listed company on the TSXV is required to obtain the approval of its shareholders for a “rolling” stock option plan at each annual meeting of shareholders. Accordingly, shareholders will be asked to approve the following resolution:

**“BE IT RESOLVED THAT:**

- the stock option plan of the Company as described in the management information circular dated June 23, 2021, be and it is hereby approved, confirmed and ratified.”

In accordance with the policies of the TSXV, the Stock Option Plan must be approved by the majority of votes cast at the Meeting on the resolution. **THE BOARD RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE APPROVAL OF THE STOCK OPTION PLAN. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH APPROVAL.**

**STATEMENT OF EXECUTIVE COMPENSATION**

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2020 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2020 (collectively the “**Named Executive Officers**”) and for the directors of the Company.

**Summary Compensation Table**

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

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Zahra <sup>(2)</sup> President, Chief Executive Officer and Director	2020	404,515	70,800	nil	nil	nil	475,315
	2019	399,570	101,062	nil	nil	nil	500,632
Paul Di Benedetto <sup>(4)</sup> Former Chief Technology Officer and Corporate Secretary	2020	282,000	110,000	nil	nil	nil	392,000
	2019	282,000	110,000	nil	nil	nil	392,000
Manish Arora <sup>(5)</sup> Chief Financial Officer	2020	183,268	49,000	nil	nil	nil	232,268
	2019	n/a	n/a	nil	nil	nil	n/a
Robert Suttie <sup>(5)(9)</sup> Former Chief Financial Officer	2020	45,618	nil	nil	nil	nil	45,618
	2019	64,800	nil	nil	nil	nil	64,800
Chris Irwin <sup>(10)</sup> Director	2020	nil	nil	nil	nil	nil	nil
	2019	nil	nil	nil	nil	nil	nil
Michael Della Fortuna Chairman and Director	2020	nil	nil	nil	nil	nil	nil
	2019	nil	nil	nil	nil	nil	nil
Robert Montemarano <sup>(6)</sup> Director	2020	nil	nil	nil	nil	nil	nil
	2019	nil	nil	nil	nil	nil	nil
Kevin Sherkin <sup>(3)</sup> Director	2020	nil	nil	nil	nil	nil	nil
	2019	nil	nil	nil	nil	nil	nil

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Vijay Kanwar <sup>(7)</sup> Director	2020 2019	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Debbie Fischer <sup>(6)</sup> Director	2020 2019	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a
Larry Taylor <sup>(8)</sup> Director	2020 2019	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) Mr. Tony Di Benedetto resigned as the Chief Executive Officer and a director of the Company effective June 10, 2019 and Mr. Zahra was appointed in his stead. Effective June 10, 2019, Mr. Zahra was also appointed as the President of the Company.
- (3) Mr. Buzbuzian resigned as the President and a director of the Company on February 24, 2019 and Mr. Kevin Sherkin was appointed in his stead as a director.
- (4) Mr. Paul Di Benedetto resigned as Corporate Secretary on August 20, 2020 and Chief Technology Officer on November 9, 2020.
- (5) Mr. Suttie resigned as Chief Financial Officer on September 8, 2020 and Mr. Arora was appointed in his stead.
- (6) Mr. Montemarano resigned as a director on November 9, 2020 and Ms. Fischer was appointed in his stead.
- (7) Mr. Vijay Kanwar was appointed as a director of the Company on June 10, 2019.
- (8) Mr. Taylor was appointed as a director on November 9, 2020.
- (9) For the year ended December 31, 2020, the Company expensed \$45,618 to Marrelli Support Services Inc. and DSA Corporate Services Inc. (collectively the "Marrelli Group") for bookkeeping and regulatory filing services. For the year ended December 31, 2019, the Company expensed \$64,800 to Marrelli Support Services Inc. and DSA Corporate Services Inc. (collectively the "Marrelli Group") for bookkeeping and regulatory filing services. Robert Suttie, the former Chief Financial Officer of the Company, is the Vice President of the Marrelli Group.
- (10) During the financial year ended December 31, 2020, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, accrued fees of \$354,045 for legal services. During the financial year ended December 31, 2019, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, accrued fees of \$250,212 for legal services.

## Stock Options and Other Compensation Securities

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

COMPENSATION SECURITIES							
Name and position	Type of compensation security <sup>(2)</sup>	Number of compensation securities, number of underlying securities, and % <sup>(1)</sup> of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Michael Zahra <sup>(5)</sup> President, Chief Executive Officer and Director	stock options <sup>(3)</sup>	350,000 stock options representing 350,000 Common Shares representing 0.17% of the outstanding number of Common Shares	September 24, 2020	0.70	0.64	0.82	September 24, 2025
Paul Di Benedetto <sup>(6)</sup> Chief Technology Officer and Corporate Secretary	stock options <sup>(3)</sup>	350,000 stock options representing 350,000 Common Shares representing 0.17% of the outstanding number of Common Shares	September 24, 2020	0.70	0.64	0.82	September 24, 2025

COMPENSATION SECURITIES							
Name and position	Type of compensation security <sup>(2)</sup>	Number of compensation securities, number of underlying securities, and % <sup>(1)</sup> of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Manish Arora <sup>(7)</sup> Chief Financial Officer	stock options <sup>(3)</sup>	200,000 stock options representing 200,000 Common Shares representing 0.10% of the outstanding number of Common Shares	September 24, 2020	0.70	0.64	0.82	September 24, 2025
Chris Irwin <sup>(8)</sup> Director	stock options <sup>(3)</sup>	100,000 stock options representing 100,000 Common Shares representing 0.05% of the outstanding number of Common Shares	September 24, 2020	0.70	0.64	0.82	September 24, 2025
Michael Della Fortuna <sup>(9)</sup> Chairman and Director	stock options <sup>(3)</sup>	150,000 stock options representing 150,000 Common Shares representing 0.07% of the outstanding number of Common Shares	September 24, 2020	0.70	0.64	0.82	September 24, 2025
Kevin Sherkin <sup>(10)</sup> Director	stock options <sup>(3)</sup>	100,000 stock options representing 100,000 Common Shares representing 0.05% of the outstanding number of Common Shares	September 24, 2020	0.70	0.64	0.82	September 24, 2025
Vijay Kanwar <sup>(11)</sup> Director	stock options <sup>(3)</sup>	100,000 stock options representing 100,000 Common Shares representing 0.05% of the outstanding number of Common Shares	September 24, 2020	0.70	0.64	0.82	September 24, 2025
Debbie Fischer <sup>(12)</sup> Director	stock options <sup>(4)</sup>	200,000 stock options representing 200,000 Common Shares representing 0.10% of the outstanding number of Common Shares	November 9, 2020	0.70	0.65	0.83	November 9, 2025
Larry Taylor <sup>(13)</sup> Director	stock options <sup>(4)</sup>	200,000 stock options representing 200,000 Common Shares representing 0.10% of the outstanding number of Common Shares	November 9, 2020	0.70	0.65	0.83	November 9, 2025

Notes:

(1) Calculated on a partially diluted basis as at December 31, 2020.

(2) All stock options vest on the basis of 1/3 of the stock options granted every six months after the date of grant.

- (3) *The fair value of each stock option at the date of grant was estimated using the Black-Scholes option pricing model to be consistent with the audited financial statements and included the following assumptions: share price \$0.70, expected dividend yield 0%, expected volatility from 79.2%, risk-free interest rate 0.35%, and an expected life of five years.*
- (4) *The fair value of each stock option at the date of grant was estimated using the Black-Scholes option pricing model to be consistent with the audited financial statements and included the following assumptions: share price \$0.70, expected dividend yield 0%, expected volatility from 78.4%, risk-free interest rate 0.47%, and an expected life of five years.*
- (5) *As at December 31, 2020, Mr. Zahra held 1,450,000 stock options exercisable to purchase 1,450,000 Common Shares.*
- (6) *As at December 31, 2020, Mr. P. Di Benedetto held 1,800,000 stock options exercisable to purchase 1,800,000 Common Shares.*
- (7) *As at December 31, 2020, Mr. Arora held 300,000 stock options exercisable to purchase 300,000 Common Shares.*
- (8) *As at December 31, 2020, Mr. Irwin held 1,150,000 stock options exercisable to purchase 1,150,000 Common Shares.*
- (9) *As at December 31, 2020, Mr. Della Fortuna held 1,200,000 stock options exercisable to purchase 1,200,000 Common Shares.*
- (10) *As at December 31, 2020, Mr. Sherkin held 300,000 stock options exercisable to purchase 300,000 Common Shares.*
- (11) *As at December 31, 2020, Mr. Kanwar held 300,000 stock options exercisable to purchase 300,000 Common Shares.*
- (12) *As at December 31, 2020, Ms. Fischer held 200,000 stock options exercisable to purchase 200,000 Common Shares.*
- (13) *As at December 31, 2020, Mr. Taylor held 200,000 stock options exercisable to purchase 200,000 Common Shares.*

The following table provides a summary of all compensation securities exercised by each Named Executive Officer and each director of the Corporation during the most recently completed financial year of the Corporation:

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NAMED EXECUTIVES OFFICERS							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise and closing price on date of exercise (\$)	Total value on exercise date (\$)
Paul Di Benedetto Former Chief Technology Officer and Corporate Secretary	stock options	325,000	0.50	March 26, 2020	0.79	0.29	256,750
	stock options	325,000	0.50	November 30, 2020	0.99	0.49	321,750
	stock options	225,000	0.50	November 30, 2020	0.99	0.49	222,750
Robert Suttie Former Chief Financial Officer	stock options	450,000	0.50	April 2, 2020	0.67	0.17	301,500
Robert Montemarano Director	stock options	400,000	0.50	November 30, 2020	0.99	0.49	396,000

### Stock Option Plan and other Incentive Plans

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

The number of stock options which may be issued under the Stock Option Plan is limited to 10% of the number of Common Shares outstanding at the time of the grant of the stock options. As at the date hereof, 22,372,568 stock options may be reserved for issue pursuant to the Stock Option Plan, 8,391,672 stock options have been issued and 13,980,896 stock options are still available for issue.

The number of Common Shares reserved for issue may not exceed (i) five percent of the issued and outstanding Common Shares to any one individual in any 12 month period, (ii) two percent of the issued and outstanding Common Shares to any one consultant retained by the Company in any 12 month period, or (iii) two percent of the issued and outstanding Common Shares to any one employee of the Company conducting "Investor Relations Activities" in any 12 month period. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. Stock options must be exercised within 90 days of termination of employment or cessation of position with the Company, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the stock option must be exercised within 12 months after such death, subject to

the expiry of such stock option. Any Common Shares subject to a stock option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan.

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

The Company has no equity compensation plans other than the Stock Option Plan.

### **Employment, Consulting and Management Agreements**

Other than as set forth below, the Company does not, and did not during the most recently completed financial year, have in place any employment agreements between the Company or any subsidiary or affiliate thereof and any of its Named Executive Officers or directors.

#### ***Michael Zahra – President, Chief Executive Officer and Director***

Pursuant to an executive employment agreement entered into effective June 10, 2019, the Company retained Michael Zahra to act as the President and Chief Executive Officer of the Company (the "**Zahra Agreement**"). Under the Zahra Agreement, Mr. Zahra receives an annual salary of \$404,515 (the "**Salary**"), payable in equal bi-weekly installments. The Salary is subject to annual review and may be increased from time to time at the sole discretion of the Company. Mr. Zahra is also eligible to participate in the Stock Option Plan and to receive an annual cash bonus equal to up to 35% of the Salary as determined by the Board. Mr. Zahra is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the services performed under the Zahra Agreement.

If the Zahra Agreement is terminated without cause within 24 months of, or in anticipation within 180 days of, a change of control, Mr. Zahra is entitled to a payment equal to 18 months of Salary and all stock options held by Mr. Zahra become vested. If the Zahra Agreement is terminated by the Company at any time without cause, Mr. Zahra is entitled to a payment equal to 12 months of Salary and all stock options held by Mr. Zahra become vested.

#### ***Manish Arora – Chief Financial Officer***

Pursuant to an executive employment agreement entered into effective September 8, 2020, the Company retained Manish Arora to act as Chief Financial Officer of the Company (the "**Arora Agreement**"). Under the Arora Agreement, Mr. Arora receives an annual salary of \$210,000 (the "**Salary**"), payable in equal bi-weekly installments. The Salary is subject to annual review and may be increased from time to time at the sole discretion of the Company. Mr. Arora is also eligible to participate in the Stock Option Plan and to receive an annual cash bonus equal to up to 30% of the Salary as determined by the Chief Executive Officer. Mr. Arora is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the services performed under the Arora Agreement.

If the Arora agreement is terminated (i) by the Company without cause, the greater of one month per year of service and six months' of notice or a termination payment in lieu, or (ii) by the Company within twelve months following or within 180 days before and in anticipation of a change in control, the greater of a lump-sum payment equal to twelve months' salary or termination payment in lieu and all stock options held by Mr. Arora become vested

#### ***Paul Di Benedetto – Chief Technology Officer and Corporate Secretary***

Pursuant to consulting agreements entered into on June 6, 2016, the Company engaged Mach20 Ventures Inc. ("**Mach20**") and Novator Investments Inc. ("**Novator**") to provide assistance with financial, business and operational matters, including but not limited to, the Company's existing business, assistance with the implementation of the Company's business plans, the implementation of the Company's capital raising efforts, divestitures and other transactions, and engaged the services of Paul Di Benedetto, the President and sole director of both Mach20 and Novator, to act in the role of Chief Technology Officer of the Company. The Mach20 and Novator consulting agreements (each a "**CTO Agreement**") are substantively identical. The initial term of each CTO Agreement is three

years (the “**Term**”) from execution and each CTO Agreement will automatically renew for an additional one-year term unless earlier terminated by either party. During the financial year ended December 31, 2019, Mr. Paul Di Benedetto received an annual base consulting fee of one \$141,000 per CTO Agreement (or \$282,000 in the aggregate), payable monthly in advance in equal installments of \$11,750 (or \$23,500 in the aggregate). Pursuant to each CTO Agreement, in the event of a change of control, a revised compensation structure will be implemented to reflect the compensation paid to senior members of the new management team. Mr. Paul Di Benedetto is also eligible, pursuant to the CTO Agreements, to participate in the Stock Option Plan and may receive an annual bonus as determined by the Board and in accordance with the Stock Option Plan. Mr. Paul Di Benedetto is also entitled, pursuant to the CTO Agreements, to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the services performed for the Company under each of the CTO Agreement.

Pursuant to each CTO Agreement, if such agreement is terminated: (i) by the Company, for any reason other than the expiration of the Term, any renewal term prior to the expiration of the Term, or any renewal term, two times the annual base compensation then payable under the CTO Agreements, plus any applicable excise tax payable becomes due and payable immediately; or (ii) if within 12 months following a change of control the applicable CTO Agreement is terminated by the Company without cause, Mr. Paul Di Benedetto will be entitled to receive as severance two times the annual base compensation then payable under the applicable CTO Agreement, plus any applicable excise tax payable.

The CTO Agreement was terminated effective November 9, 2020. In connection with the resignation of Mr. Di Benedetto as the Chief Technology Officer of the Company, Mr. Di Benedetto received a lump sum severance payment of \$nil.

Pursuant to consulting agreements entered into on November, the 9, 2020, the Company engaged Mach20 and Novator to provide assistance with research and development initiatives and engineering processes, and engaged the services of Paul Di Benedetto, the President and sole director of both Mach20 and Novator, to act in the role of Engineering Strategist of the Company. The Mach20 and Novator consulting agreements (each a “**P. Di Benedetto Agreement**”) are substantively identical. The initial term of each P. Di Benedetto Agreement is three years (the “**Term**”) from execution and each P. Di Benedetto Agreement will automatically renew for an additional one-year term unless earlier terminated by either party. During the financial year ended December 31, 2020, Mr. Paul Di Benedetto received an annual base consulting fee of \$141,000 per P. Di Benedetto Agreement (or \$282,000 in the aggregate), payable monthly in advance in equal installments of \$11,750 (or \$23,500 in the aggregate). Mr. Paul Di Benedetto is also eligible, pursuant to the P. Di Benedetto Agreements, to participate in the Stock Option Plan and may receive an annual bonus as determined by the Board and in accordance with the Stock Option Plan. Mr. Paul Di Benedetto is also entitled, pursuant to the P. Di Benedetto Agreements, to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the services performed for the Company under each of the P. Di Benedetto Agreement.

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

### ***Compensation of Directors***

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the two most recently completed financial years for their services in their capacity as directors of the Company. As of 2021, the Board approved annual compensation for the directors as follows: (i) Board Chair, \$25,000; (ii) each Committee Chair, \$20,000; and (iii) each other non-executive director, \$8,000.

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

#### **Principles of Executive Compensation**

The Company believes in linking an individual’s compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company’s executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be

reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

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

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers within the constraints of the agreements described under "*Employment, Consulting and Management Agreements*" above. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

#### Base Salary

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

#### Annual Incentives

The Company, in its discretion, may award annual bonuses in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

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

#### Compensation and Measurements of Performance

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

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met

is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

### Long Term Compensation

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

### **Pension Disclosure**

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

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

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. Except as set forward under “*Employment, Consulting and Management Agreements*”, the Company is not party to any compensation plan or arrangement with Named Executive Officers or directors of the Company resulting from the resignation, retirement or the termination of employment of such person.

## **SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLAN**

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of December 31, 2020:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (\$)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (#)</b>
Equity compensation plans approved by securityholders	16,975,000	1.12	4,031,659
Equity compensation plans not approved by securityholders	nil	nil	nil
<b>Total</b>	16,975,000	1.12	4,031,659

Note:

(1) *The Stock Option Plan is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 10% of the outstanding Common Shares at the time of the stock option grant. As at the date of this Management Information Circular, 22,372,568 stock options may be reserved for issue pursuant to the Stock Option Plan, 8,391,672 stock options have been issued and 13,980,896 stock options are still available for issue under the Stock Option Plan.*

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as otherwise disclosed in this Management Information Circular, no director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year end or in any proposed transaction that has materially affected or will materially affect the Company.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a

director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting of shareholders. The Company is a “venture issuer” for the purposes of NI 52-110.

#### **Audit Committee Charter**

The full text of the charter of the Company’s Audit Committee is attached hereto as appendix A (the “**Audit Committee Charter**”).

#### **Composition of the Audit Committee**

The Audit Committee currently consists of Larry Taylor (Chair), Chris Irwin and Kevin Sherkin. Each of whom is a director and financially literate. Messrs. Taylor and Sherkin are independent in accordance with NI 52-110.

#### **Relevant Education and Experience of Audit Committee Members**

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

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

#### ***Larry Taylor – Director and Chair of the Audit Committee***

Mr. Taylor is also a seasoned executive with extensive business and board experience in consulting, financial services and technology, having worked with such organizations as Cap Gemini Ernst & Young, Travelex, Dollar Financial Group, and numerous publicly-traded technology companies as Director or Chair. He has attended business and leadership programs at Northwestern University and Harvard University. Mr. Taylor has Certified Management Consultant, Certified Professional Accountant and Certified Management Accountant designations.

#### ***Chris Irwin – Director***

Mr. Irwin is a graduate of Bishop’s University (B.A., 1990), the University of New Brunswick (Bachelor of Laws, 1994) and Osgoode Hall Law School (Masters of Laws, 2009). He was called to the Bar of Ontario in 1996. Mr. Irwin represents several public companies, is an officer and/or director of several public companies, and serves or has served on the audit committee of several public companies.

### ***Kevin Sherkin – Director***

Mr. Sherkin was called to the Ontario bar in 1987 after graduating from Osgood Hall Law School with a J.D. in 1985. He is a Partner at Miller Thomson LLP. Prior thereto, he was a founding member and managing director of Levine Sherkin Boussidan Professional Corporation. While his practice involves a wide range of civil litigation, Mr. Sherkin's focus has been primarily on business-related litigation. Mr. Sherkin has served as a director for both private and public companies and in his previous board tenures he served on finance committees, compliance committees and compensation committees.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Certain Exemptions**

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

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (Exemptions) of NI 52-110.

The Company is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

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

The Audit Committee's charter provides that that Audit Committee must approve all non-audit services to be provided by the Company's external auditor to the Company or a subsidiary of the Company.

## External Auditor Service Fees (By Category)

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2020 and December 31, 2019:

Year ended	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2020	\$94,595	\$59,350	\$9,900	\$13,150
December 31, 2019	\$86,052	nil	\$5,000	nil

Notes:

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

## REPORT ON CORPORATE GOVERNANCE

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

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

### Board of Directors

The Board is currently composed of seven directors. At the meeting the shareholders will be asked to elect seven directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed nominees, Michael Zahra, the President and Chief Executive Officer of the Company and Chris Irwin, a director of the Company are not considered "independent". The remaining five proposed directors, are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.

### Directorships

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

Name of Director	Reporting Issuer
Chris Irwin	Minnova Corp., Deveron Corp., Greencastle Resources Ltd., Intercontinental Gold and Metals Ltd., Playground Ventures Inc., Interactive Capital Partners Corporation, American Aires Inc., Glow Lifetech Corp., Royal Coal Corp. and Crosswinds Holdings Inc.

Name of Director	Reporting Issuer
Michael Della Fortuna	Danavation Technologies Corp.
Larry Taylor	Spark Power Group Corp. and VIQ Solutions Inc.

### **Orientation and Continuing Education**

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

### **Ethical Business Conduct**

The Board has adopted a code of business conduct and ethics (the “Code”). The Code reflects the Company’s commitment to a culture of honesty, integrity and accountability and strives to operate in accordance with the highest ethical standards and applicable laws and regulations. The Code addresses, among other things, conflicts of interest, protection and proper use of the Company’s assets, compliance with laws, rules and regulations, confidentiality and fair dealing with the Company’s representatives, customers, suppliers, shareholders, business partners, regulators and competitors and reporting of illegal or unethical behavior.

The Board is responsible for monitoring compliance with the Code, for regularly assessing its adequacy, for interpreting the Code in any particular situation and for approving any changes to the Code as is required from time to time.

### **Nomination of Directors**

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

### **Other Board Committees**

The Board has established an Audit Committee and Corporate Governance and Human Resources Committee.

#### *Audit Committee*

The operation of the Audit Committee is described in the section entitled “*Audit Committee Information Required in The Information Circular of a Venture Issuer*” in this Management Information Circular.

#### *Corporate Governance and Human Resources Committee*

The Corporate Governance and Human Resources Committee is currently composed of Debbie Fischer (Chair), Michael Della Fortuna and Vijay Kanwar. Each member of the Corporate Governance and Human Resources Committee is a director and is “independent” in accordance with NI 52-110. The Corporate Governance and Human Resources Committee is responsible for: (i) establishing sound corporate governance practices that are in the interests of shareholders and that contribute to effective and efficient decision-making; (ii) offering competitive compensation to attract, retain and motivate the very best qualified executives in order for the Company to meet its goals; and (iii) acting in the interests of the Company and its shareholders by being fiscally responsible.

### **Assessments**

The Board monitors but does not formally assess the effectiveness and contribution of the Board, its committees and individual Board members. To date, the Board has satisfied itself, through informal discussions that the Board, its committees and individual Board members are performing effectively.

## OTHER MATTERS

**The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting.** However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company in order to request copies of: (i) this Management Information Circular; and (ii) the Company's consolidated financial statements and the related management's discussion and analysis (the "MD&A") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's consolidated financial statements and MD&A for its financial year ended December 31, 2020.

## APPROVAL OF THE BOARD OF DIRECTORS

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

**DATED** at Toronto, Ontario, on the 23<sup>rd</sup> day of June, 2021.

## BY ORDER OF THE BOARD

*"Michael Zahra" (signed)*

President, Chief Executive Officer and Director



6-6221 Highway 7  
Vaughan, Ontario, L4H 0K8

## APPENDIX A

### AUDIT COMMITTEE CHARTER

#### DRONE DELIVERY CANADA CORP.

##### I. Audit Committee Charter

This Charter has been adopted in order to comply with the Instrument and to assist the audit committee in the oversight of the financial reporting process of the Company. Nothing in this charter is intended to restrict the ability of the board of directors or audit committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

##### PART I

##### Purpose:

The purpose of the audit committee is to:

- a) review all periodic financial statements, monitor the Corporation's regulatory financial disclosure requirements, and make recommendations respecting financial reporting matters;
- b) assist the board of directors to discharge its responsibilities;
- c) provide an accountable avenue of communication between the board of directors and the Company's EAs;
- d) ensure the EA's independence;
- e) ensure the availability and transparency of financial reports; and
- f) ensure that outside members of the board of directors have ready access to the EA to responsible members of management in financial reporting matters.

##### 1.1 Definitions

Unless otherwise defined in this Charter, terms shall have the meanings set forth below:

**"audit services"** means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements.

**"Board"** means the board of directors of the Company.

**"Charter"** means this audit committee charter.

**"Company"** or **"Corporation"** means Drone Delivery Canada Corp.

**"Committee"** means the audit committee established by the Board for the purpose of overseeing the accounting, financial reporting processes of the Company and audits of the financial statements of the Company.

**"EA"** means the Company's external auditors, from time to time.

“**Instrument**” means Multilateral Instrument 52-110.

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102. “**Member**” means a member of the Committee.

“**National Instrument 51-102**” means National Instrument 51-102 Continuous Disclosure Obligations.

“**non-audit services**” means services other than audit services.

## **PART 2**

2.1 The Board has hereby established this Charter to set forth the duties and responsibilities of the Committee.

2.2 The Committee shall be comprised of at least three financially literate directors, the majority of whom are not Officers, employees or Control Persons of the Issuer or any of its Associates or Affiliates (within the meanings given those terms in prevailing securities legislation). An individual is financially literate if he or she has 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 contained in the Company’s financial statements.

2.3 The Board will direct the EA to report directly to the Committee and the Members have the irrevocable authority to enforce this procedure.

2.4 The Committee will be directly responsible for overseeing the work of the EA engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the EA regarding financial reporting.

2.5 The Committee will be responsible for recommending to the Board:

- a) the EA to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company; and
- b) the compensation of the EA.

2.6 Without limitation, the Committee will be responsible for:

- a) reviewing the audit plan with management and the EA;
- b) reviewing with management and the EA any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
- c) questioning management and the EA regarding significant financial reporting issues occurring during the fiscal period under review and the method of resolution;
- d) reviewing any problems experienced by the EA in performing the audit, including any restriction imposed by management or significant accounting issue on which there was disagreement with management;
- e) reviewing audited annual financial statements, in conjunction with the report of the EA, and discussing with management any significant variances between comparative reporting periods;
- f) reviewing the post-audit or management letter, containing the recommendations of the EA, and subsequent follow-up;
- g) reviewing interim unaudited financial statements before release to the public;

- h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
- i) reviewing the evaluation of internal controls by the EA, and subsequent follow-up;
- j) reviewing the terms of reference of the internal auditor, if any;
- k) reviewing reports issued by the internal auditor, if any, and subsequent follow-up; and
- l) reviewing the appointments of chief financial officers and all other key financial executives involved in the financial reporting process, as applicable.

2.7 The Committee will approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's EA.

2.8 The Committee will review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.

2.9 The Committee will ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and will periodically assess the adequacy of those procedures.

2.10 When there is to be a change of auditor, the Committee will review all issues related to the change, including the information to be included in the notice of change of auditor called for under prevailing laws and policies, and the planned steps for an orderly transition.

2.11 The Committee will review all reportable events, including disagreements, unresolved issues and consultations.

2.12 The Committee will, as applicable, establish procedures for:

- a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
- b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

2.13 As applicable, the Committee will establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former EA of the issuer, as applicable.

2.14 The responsibilities outlined in this Charter are not intended to be exhaustive. Members must consider any additional areas which may require oversight when discharging their responsibilities.

### **PART 3**

3.1 The Committee shall have the authority to:

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

#### **PART 4**

4.1 Meetings of the Committee will be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

4.2 Members will be afforded reasonable opportunities to privately meet with the EA, the internal auditor and members of senior management.

4.3 Minutes will be kept of all meetings of the Committee.

#### **PART 5**

5.1 If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to its Board, the Committee shall ensure that the Company includes in its management information circular the disclosure required by Form 52-110F2 of the Instrument.