



May 21, 2024

Dear Shareholder,

It is our pleasure to invite you to attend the annual meeting of shareholders (the “**Meeting**”) of Quantum eMotion Corp. (the “**Corporation**”), which will be held on **Thursday, June 20, 2024, at 9:00 a.m. (Eastern time) at 2300 Alfred Nobel, 2nd floor, Montréal, Québec and online via live webcast at <https://t.ly/ZPP8N>**. The notice of Meeting and related material are enclosed.

Your vote is important and we encourage all shareholders to exercise their right. If you are unable to attend the Meeting, please complete, date, and return the accompanying Proxy Form in the envelope provided. Even if you plan to attend the Meeting, you can conveniently express your views in advance by returning a completed Proxy Form.

We look forward to seeing you at the Meeting and thank you for your continued support.

Yours very truly,

(s) *Francis Bellido*
Francis Bellido, President and CEO

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT PROXY CIRCULAR

QUANTUM EMOTION CORP.

This Notice of Meeting and Management Proxy Circular is provided in connection with the solicitation by the management of Quantum eMotion Corp. of proxies to be voted at the Annual Meeting of the shareholders of the Corporation to be held on June 20, 2024, at 9:00 a.m. (Montréal time) at 2300 Alfred Nobel, 2nd floor, Montréal, Québec and online via live webcast at <https://t.ly/ZPP8N>.

Dated May 21, 2024

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that an annual meeting (the “**Meeting**”) of the holders of common shares (the “**Common Shares**”) of Quantum eMotion Corp. (the “**Corporation**”) will be held on June 20, 2024, at 9:00 a.m. (Montréal time) at 2300 Alfred Nobel, 2nd floor, Montréal, Québec and online via live webcast at <https://t.ly/ZPP8N>, for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2023, and the auditors’ report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint the independent auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration; and
4. to transact such other business as may properly be brought before the Meeting or at any adjournment thereof.

The management proxy circular (the “**Circular**”) and a proxy form (the “**Proxy Form**”) for the Meeting are enclosed herewith. Additional information relating to the matters to be put before the Meeting is set forth in the Circular which accompanies this notice.

SIGNED in Montréal, Québec, on May 21, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

(s) *Francis Bellido*

Francis Bellido, President and CEO

IMPORTANT

The Meeting will be held in-person and in a virtual format, which will be conducted via live webcast. For those attending virtually, registered shareholders and duly appointed proxyholders will be permitted to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and have logged in at <https://t.ly/ZPP8N>.

Holders of Common Shares may exercise their rights by attending the Meeting or by completing a Proxy Form. The Corporation strongly encourages its shareholders to review the meeting materials and vote by proxy in advance of the Meeting.

Those who are unable to attend the Meeting are urged to complete and sign the enclosed Proxy Form and return it to Computershare Investor Services Inc. by mail, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by fax at 1-866-249-7775 (within North America) or 416-263-9524 (outside North America), before 5:00 p.m. on Tuesday, June 18, 2024. A person appointed as proxy need not be a shareholder of the Corporation. Holders of Common Shares may also exercise their voting rights (i) by calling the toll-free number 1-866-732-8683 or any other number indicated on the Proxy Form or the voting instruction form or (ii) by going to the following website: www.investorvote.com. For any additional information concerning this matter, please contact Computershare Investor Services Inc. by calling at no charge at 1-800-564-6253 (within North America) and at 514-982-7555 (outside North America) or by e-mail at service@computershare.com.



**Management Proxy Circular
Annual Meeting of Shareholders**

REGISTERED SHAREHOLDERS

You will have received a form of proxy ("**Proxy Form**") from Quantum eMotion Corp.'s (the "**Corporation**") transfer agent, Computershare Investor Services Inc. ("**Computershare**"). Complete, sign and mail your Proxy Form in the postage prepaid envelope provided, email it or fax it in accordance with the instructions provided on the Proxy Form.

NON-REGISTERED SHAREHOLDERS

Your shares are held in the name of an intermediary (securities broker, trustee or other financial institution). You will have received a request for voting instructions from such intermediary. Follow the instructions on your voting instruction form to vote by telephone, Internet or fax, or complete, sign and mail the voting instruction form in the postage prepaid envelope provided. **To vote at the meeting, see the box on page 4 of this management proxy circular (the "Circular").**

PROXY VOTING

Important Information about the Meeting

The Corporation will hold its annual meeting of shareholders on June 20, 2024 (the "**Meeting**") both in person and online via live webcast. The Corporation strongly encourages its shareholders to vote by proxy in advance of the Meeting.

When can I join the Meeting virtually?

You may begin to log into the Meeting platform beginning at 8:30 a.m. Eastern Time on June 20, 2024. The Meeting will begin promptly at 9:00 a.m. Eastern Time on June 20, 2024.

How can I virtually ask questions?

Questions for the Meeting may be submitted during the Meeting virtually by submitting such question in the field provided in the Q&A box at or before the time the matters are presented before the Meeting for consideration. Questions relating to any items to be voted on by the Shareholders at the Meeting will be answered before the voting is closed.

Following adjournment of the formal business of the Meeting, the Corporation will hold a live Q&A session to address appropriate general questions from Shareholders regarding the Corporation. Only Shareholders and duly appointed proxyholders may submit questions at the Meeting. Guests will not be able to submit questions, vote or otherwise participate at the Meeting; however, they will be able to join the Meeting as a guest. Shareholders voting by proxy in advance of the Meeting are welcome to join the Meeting as guests.

The chair of the Meeting reserves the right to edit questions or to reject questions he deems inappropriate. To ensure the Meeting is conducted in a manner that is fair to all Shareholders, the chair of the Meeting may exercise broad discretion with respect to, for example, the order in which questions are asked and the amount of time devoted to any one question. The chair of the Meeting may also limit the number of questions per

Shareholder in order to ensure that as many Shareholders as possible will have the opportunity to ask questions.

In the event of technical malfunction or other significant problem that disrupts the Meeting, the chair of the Meeting may adjourn, recess, or expedite the Meeting, or take such other action that the chair determines is appropriate considering the circumstances.

What if I don't have internet access?

Please contact Computershare Investor Services Inc. by calling at no charge at 1-800-564-6253 (within North America) and at 514-982-7555 (outside North America) or by e-mail at service@computershare.com. You will not be able to vote or submit your questions during the Meeting unless you attend the Meeting.

Who is soliciting my proxy?

Your proxy is being solicited by the management of the Corporation in connection with the Meeting and any adjournment thereof, and the associated costs will be borne by the Corporation. The solicitation of proxies will be primarily by mail, but may be by telephone or other personal contact by directors of the Corporation (the “**Directors**”), such Directors receiving no compensation for the solicitation of proxies. The Corporation shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of shares of the Corporation.

How do I vote?

If you are a registered shareholder, you may vote at the Meeting or you may sign the enclosed Proxy Form appointing the named persons or some other person you choose, who need not be a shareholder, to represent you as proxyholder and vote your common shares of the Corporation (the “**Common Shares**”) at the Meeting. Holders of Common Shares may also exercise their voting rights (i) by calling the toll-free number 1-866-732-8683 or any other number indicated on the Proxy Form or the voting instruction form or (ii) by going to the following website: www.investorvote.com. If your Common Shares are held in the name of an intermediary, please see the box on page 4 for voting instructions.

What am I voting on?

Shareholders will be asked to vote on the following matters:

1. **the election of Directors to the Board of Directors of the Corporation for the ensuing year;**
2. **the appointment of auditors for the Corporation for the year 2024 and on the authorization for the Directors to fix their remuneration; and**
3. **any such other business as may properly be brought before the Meeting or at any adjournment thereof.**

For further information, please refer to the heading “Agenda for Shareholders’ Meeting”.

Other than as specifically discussed under the heading “Agenda for Shareholders’ Meeting”, no Director or executive officer, past, present or nominated hereunder, or any associate or affiliate of such persons, or any person on behalf of whom this solicitation is made, has any interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Corporation.

What if I sign the Proxy Form enclosed with this Circular?

Signing the enclosed Proxy Form gives authority to Francis Bellido or Marc Rousseau, each of whom is a Director or officer of the Corporation, or to another person you have appointed, to vote your Common Shares at the Meeting.

Can I appoint someone else to vote my Common Shares?

Yes. Write the name of this person, who need not be a shareholder, in the blank space provided in the Proxy Form. It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your Common Shares. Proxy holders should, upon arrival at the Meeting, present themselves to a representative of Computershare.

What do I do with my completed Proxy Form?

Return it to the Corporation's transfer agent, Computershare, by mail at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by fax to 1-866-249-7775 (within North America) or 416-263-9524 (outside North America), **no later than 5:00 p.m. (Eastern Time) on June 18, 2024**. This will ensure that your vote is recorded.

If I change my mind, can I take back my proxy once I have given it?

Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered at the above-mentioned registered office of Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

How will my Common Shares be voted if I give my proxy?

The Common Shares represented by your Proxy Form will be voted or withheld from voting in accordance with your instruction on the Proxy Form 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. If you have not specified how to vote on a particular matter, or if any amendments are proposed to any matter, or if other matters are properly brought before the Meeting, then, in each case, your proxyholder can vote your Common Shares as your proxyholder sees fit. Management knows of no such amendments or other matters to come before the Meeting other than the matters referred to in the notice of the Meeting.

If you properly complete and return your Proxy Form appointing representatives of management of the Corporation as your proxy but do not specify how you wish the votes to be cast, your Common Shares will be voted:

- (a) FOR the election of directors nominated by management;
- (b) FOR the appointment of KPMG LLP, Chartered Professional Accountants, as auditors for the ensuing year and the authorization of the directors to fix their remuneration; and
- (c) at the discretion of management, on any other matter which may properly come before the Meeting.

If my Common Shares are not registered in my name but are held in the name of an intermediary (a bank, trust corporation, securities broker, trustee or other), how do I vote my Common Shares?

These beneficial owners of Common Shares (the “**Beneficial Owners**”) must be aware of the fact that only proxies filed by shareholders whose names appear in the Corporation’s book as registered holders of Common Shares may be recognized and may benefit from the right to vote at the Meeting. The voting rights attached to the Common Shares held by an intermediary may be exercised by the intermediary, on behalf of the Beneficial Owner, only according to the Beneficial Owner’s specific instructions, which must be obtained before the Meeting. Each intermediary has its own rules concerning the mailing and forwarding of voting instruction forms, notices of meeting, proxy circulars as well as all other documents sent to shareholders for a meeting. The intermediary is prohibited from exercising the voting rights attached to the Common Shares of its clients without specific voting instructions.

In accordance with the requirements of *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has elected to send the notice of Meeting, this Circular and the Proxy Form directly to the non-objecting Beneficial Owners (the “**NOBOs**”). The intermediaries are responsible for forwarding these documents to each Beneficial Owner who has objected to his intermediary disclosing ownership information about himself (the “**OBO**”), unless that OBO has waived the right to receive them.

There are two ways you can vote your Common Shares held by your intermediary. As required by Canadian securities legislation, you will have received from your intermediary either a request for voting instructions or a form of proxy for the number of Common Shares you hold. For your Common Shares to be voted for you, please follow the voting instructions provided by your intermediary. Since the Corporation has limited access to the names of its Beneficial Owners, if you attend the Meeting, the Corporation may have no record of your shareholdings or your entitlement to vote unless your intermediary has appointed you as proxyholder. Therefore, if you wish to vote at the Meeting, insert your own name in the space provided on the request for voting instructions or form of proxy and return same by following the instructions provided. You can also write the name in the space provided thereof of someone else whom you wish to attend the Meeting and vote on your behalf. Do not otherwise complete the form as your vote will be taken at the Meeting. Please register with the transfer agent, Computershare, upon arrival at the Meeting.

How many Common Shares are entitled to vote?

As of May 16, 2024 (the “**Record Date**”), there were 150,502,838 Common Shares issued and outstanding, each of which is entitled to one vote at the Meeting. Only shareholders registered at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting unless after that date a shareholder of record transfers his Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he owns the Common Shares, requests no later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote, in which case such transferee is entitled to vote such Common Shares at the Meeting.

Who counts the votes?

The Corporation’s transfer agent, Computershare, counts and tabulates the proxies. This is done independently of the Corporation. Proxies are referred to the Corporation only in cases where a shareholder clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.

If I need to contact the transfer agent, how do I reach them?

For general shareholder enquiries, you can contact the transfer agent:

by mail: Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

or by email: services@computershare.com

or by telephone: within Canada and the United States at no charge at 1-800-564-6253 or 514-982-7555

or by fax: within Canada and the United States at no charge at 1-866-249-7775 or 416-263-9394

Principal Holders of Voting Securities

To the knowledge of the Directors and executive officers of the Corporation, as at the Record Date, no person beneficially owns, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation.

AGENDA FOR SHAREHOLDERS' MEETING

1. PRESENTATION OF FINANCIAL STATEMENTS

The Corporation's audited consolidated financial statements for the year ended December 31, 2023, and the report of the auditors' thereon will be placed before the Meeting.

2. ELECTION OF DIRECTORS

At the Meeting, the shareholders will be asked to elect five Directors.

Each of the nominees named hereunder has advised management of the Corporation that he will be willing to serve as a Director if elected. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director. Each nominee elected as a Director will hold office until the next annual meeting or until his successor is duly elected, unless he ceases to hold office pursuant to the *Canada Business Corporations Act* (the "CBCA") or his office is vacated earlier pursuant to the by-laws of the Corporation. All nominees are mentioned in the table below.

The management recommends voting FOR the election of each nominee to the Board of Directors of the Corporation (the "**Board of Directors**") listed below.

The resolution regarding the election of each director must be adopted by a majority of the votes cast by the shareholders present or represented by proxy and entitled to vote at the Meeting.

The following table states the names and place of residence of the individuals proposed to be nominated for election as Directors. This table also sets out, for each individual, all other positions and offices with the Corporation now held by them, their principal occupation or employment, the periods during which they have served as Directors and the number of Common Shares beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction, as at the date hereof:

Name and Place of Residence	Director since	Office	Principal Occupation (within the 5 preceding years)	Number of Common Shares Beneficially Owned or Controlled
Francis Bellido ⁽¹⁾ Québec, Canada	December 2020	President, Chief Executive Officer and Director	President, Chief Executive Officer and Director of the Corporation	6,050,000
Edward Lawrence Moore Québec, Canada	January 2021	Director	President, Chief Executive Officer and Director of Baystream Corporation	50,000
Tullio Panarello Québec, Canada	February 2022	Director	VP and General Manager, Smiths Interconnect	400,000
John Young California, USA	-	Candidate proposed for election as a Director	Cybersecurity Expert, IBM Cloud Division, Los Angeles, CA, and Candle Corp.	<i>nil</i>
David Teeple ⁽¹⁾ Ontario, Canada	February 2022	Director	Cybersecurity advisor, Phirelight	116,250

Note:

(1) Member of the Audit Committee.

Each nominee has provided the information as to the Common Shares he beneficially owns, or over which he exercises control or direction, as at the date of this Circular.

As of the date hereof, the Directors, as a group, beneficially own, or exercise control or direction, directly or indirectly, over 6,616,250 Common Shares, or approximately 4.4 % of the outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, no proposed Director:

- (a) is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that:
 - (i) was subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that proposed director was acting in that capacity;
 - (ii) was subject to an event that occurred while that person was acting in that capacity, that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial 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 securities legislation, for a period of more than 30 consecutive days;

- (b) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director; and
- (d) has 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

3. APPOINTMENT OF AUDITORS

Shareholders are asked to vote for the reappointment of KPMG LLP, Chartered Professional Accountants, as auditors of the Corporation for the current financial year and to authorize the directors to establish the auditors' remuneration.

KPMG LLP, Chartered Professional Accountants, have been auditors of the Corporation since May 21, 2021.

Unless the Proxy Form states otherwise, or if the right to vote is not exercised for the appointment of the auditors, the persons named in the enclosed Proxy Form intend to VOTE FOR the appointment of KPMG LLP, as independent auditors of the Corporation for the current financial year and to authorize the Directors to fix their remuneration.

4. OTHER BUSINESS

Management of the Corporation has no knowledge, as at the date hereof, of any business other than that mentioned in the Notice of Meeting, to be presented for action by the Corporation at the Meeting. However, the Proxy Form solicited hereunder confers upon the proxy holder the discretionary right to exercise the powers conferred thereunder upon any other matters and proposals that may properly come before the Meeting, or any adjournment or adjournments thereof.

DIRECTORS AND EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Board of Directors discusses and approves the compensation policy in order to make sure it is consistent with the Corporation's business plan, strategies and objectives. The compensation of the Corporation's Named Executive Officers is established with a view to attracting and retaining executives critical to the Corporation's short and long-term success and to continuing to provide executives with compensation that is in accordance with existing market standards generally and competitive within the mining industry, in particular.

Compensation of Named Executive Officers

Compensation of the Corporation's Named Executive Officers is comprised of base salaries, annual performance incentives and stock options, as more particularly described below. Compensation is reviewed and approved by the Board of Directors once a year concurrent with the first board meeting of the year and the evaluation of the Named Executive Officers.

Salary

Amounts paid to Named Executive Officers as base salary, including merit salary increases, are determined in accordance with an individual's performance and salaries in the marketplace for comparable positions. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective Named Executive Officer and the Corporation and is therefore heavily discretionary.

Annual Performance Incentives

The Corporation's annual performance incentives are designed to reward an executive for the direct contribution which he or she can make to the Corporation. Named Executive Officers are entitled to receive discretionary performance incentives from time to time as determined or approved by the Board, upon the recommendation of the Chief Executive Officer. The Corporation does not currently prescribe a set of formal objective measures to determine discretionary performance incentives entitlements. Rather the Corporation uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board.

Option-based Awards

The purpose of granting stock options is to assist the Corporation in compensating, attracting, retaining and motivating its executive officers and to closely align the personal interests of such persons to that of the shareholders.

Options are granted pursuant to the Stock Option Plan and in accordance with the rules of the TSX Venture Exchange. The number of options to be granted, the exercise price and the vesting provisions of the options are established by the Board of Directors. The options are non-assignable and not transferable and they may be exercised during a period not exceeding 10 years. For a description of the material terms of the Stock Option Plan, please see the heading "*Stock Option Plan*" below.

Compensation of Directors

The Board of Directors conducts reviews with regard to Directors' compensation once a year. To make its recommendation on Directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

Directors are entitled to participate in the Stock Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his position and contribution to the Corporation.

During the financial year ended December 31, 2023, certain Directors were granted options as is set out in the table below under the heading "Compensation Securities Table".

During the financial year ended December 31, 2023, Directors were paid fees in their capacity as Directors of the Corporation as is set out in the table below under the heading “Director and Named Executive Officer Compensation”.

Compensation Governance

The Corporation does not have a compensation committee. The Board of Directors has not adopted any specific policies or practices to determine the compensation for the Directors and executive officers of the Corporation other than as disclosed above.

The Corporation has not adopted a policy and has not restricted Named Executive Officers or Directors from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, any of which are designed to hedge their equity-based compensation awards or the value of the securities they hold. To the knowledge of the Corporation, none of the Named Executive Officers or Directors purchased such financial instruments during the financial year ended December 31, 2023.

Director and Named Executive Officer Compensation

The following table sets forth information concerning the compensation paid to the Corporation’s Named Executive Officers and Directors during the Corporation’s last two fiscal years ended December 31, 2023 and 2022.

“**Named Executive Officers**” means the following persons:

- a) the Chief Executive Officer;
- b) the Chief Financial Officer;
- c) each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonuses exceed \$150,000; and
- d) any additional individuals for whom disclosure would have been provided under (c), except that the individual was not serving as an officer of the Corporation at the end of the most recently completed financial year.

Summary Compensation Table

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites⁽¹⁾ (\$)	Value of all other compensation⁽²⁾ (\$)	Total compensation (\$)
Francis Bellido ⁽³⁾ President, CEO and Director	2023	300,000	-	-	-	-	300,000
	2022	300,000	120,000	-	-	-	420,000
Marc Rousseau ⁽⁴⁾ CFO and former Director	2023	60,000	-	-	-	-	60,000
	2022	54,000	-	-	-	-	54,000
Edward Lawrence Moore Chairman of the Board of Directors and Director	2023	27,500	-	-	-	-	27,500
	2022	27,500	-	-	-	-	27,500
Scott Rickards Director	2023	27,500	-	-	-	-	27,500
	2022	27,500	-	-	-	-	27,500

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites ⁽¹⁾ (\$)	Value of all other compensation ⁽²⁾ (\$)	Total compensation (\$)
David Teeple Director	2023	27,500	-	-	-	-	27,500
	2022	27,500	-	-	-	-	27,500
Tullio Panarello ⁽⁵⁾ Director	2023	27,500	-	-	-	-	27,500
	2022	25,000	-	-	-	-	25,000

Notes:

- (1) “Perquisites” means benefits that are not offered to all the employees and that, in aggregate, are greater than the following amounts for the financial year: a) \$15,000, if the total salary of the Named Executive Officer or Director does not exceed \$150,000; b) 10% of the Named Executive Officer’s or Director’s salary, if his total salary is greater than \$150,000 but less than \$500,000; c) \$50,000, if the Named Executive Officer’s or Director’s salary is \$500,000 or greater.
- (2) Compensation paid in the form of discretionary performance-based incentives.
- (3) Mr. Bellido received 420,000\$ during the 2022 fiscal year, including a performance-based bonus. This amount was paid to Aurakle Research Capital inc., a management corporation controlled by Mr. Bellido, and represents mainly consulting fees.
- (4) Mr. Rousseau resigned as Director on February 14, 2022.
- (5) Mr. Tullio Panarello was appointed on February 14, 2022.

Compensation Securities Table

The following table sets forth all compensation securities granted or issued to the Named Executive Officers and Directors to purchase or acquire securities of the Corporation during the most recently completed financial year ended December 31, 2023.

Compensation Securities							
Name and position	Type of Compensation Security ⁽¹⁾⁽²⁾⁽³⁾	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Francis Bellido	Stock Options	-	-	-	-	-	-
Marc Rousseau	Stock Options	-	-	-	-	-	-
Edward Lawrence Moore	Stock Options	-	-	-	-	-	-
Scott Rickards	Stock Options	-	-	-	-	-	-
David Teeple	Stock Options	-	-	-	-	-	-
Tullio Panarello	Stock Options	-	-	-	-	-	-

Notes:

- (1) The stock options have been granted pursuant to the Stock Option Plan (as defined herein) of the Corporation. Please refer to the heading “Stock Option Plan” below. In the most recently completed financial year, no stock option has been re-priced, cancelled, replaced or modified.
- (2) The Board of Directors may, at its sole discretion, determine whether the stock option shall vest immediately or be subject to such vesting schedule as the Board of Directors may deem appropriate in the circumstances.
- (3) As of December 31, 2023, all outstanding stock options were exercisable without restrictions or conditions.
- (4) As of December 31, 2023, the directors and NEOs of the Corporation held the following quantity of stock options: Francis Bellido: 3,859,737 options; Marc Rousseau: 550,000 options; Edward Lawrence Moore: 1,000,000 options; Scott Rickards: 500,000 options; David Teeple: 500,000 options; and Tullio Panarello: 500,000 options.

Exercise of Compensation Securities by Named Executive Officers and Directors

There was no exercise of compensation securities by a Named Executive Officer or a Director during the most recently completed financial year ended December 31, 2023.

Equity Compensation Plan Information

During the financial year ended December 31, 2023, the Corporation’s Stock Option Plan was the only equity compensation plan under which securities were authorized for issuance. The following table shows, aggregated information for the Stock Option Plan as of December 31, 2023.

Plan category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under the plan
Stock Option Plan of the Corporation approved by the shareholders	7,980,000	0.16	7,020,000
Stock Option Plan of the Corporation not approved by the shareholders	-	-	-
Total	7,980,000	0.16	7,020,000

Stock Option Plan

The Corporation’s Stock Option Plan was adopted on December 15, 2020 and was last approved by the shareholders of the Corporation on May 27, 2021.

Pursuant to the Stock Option Plan, a fixed number of 15,000,000 Common Shares is currently reserved for issuance upon exercise of options granted thereunder, representing approximately 9.9% of the total number of Common Shares issued and outstanding as of the date hereof.

Options may be granted to Directors, officers, employees and consultants of the Corporation. The number of options to be granted, the exercise price and the vesting provisions of the options are established by the Board of Directors, subject to the provisions of the Stock Option Plan and the rules of the TSX Venture Exchange. The exercise price at the time of the grant of the options shall not be less than the closing market price of the Common Shares on the day prior to their grant. The options are non-assignable and non-transferable and may be exercised during a period not exceeding ten years.

The number of Common Shares reserved for issuance to any independent Director will not exceed 1% of the issued and outstanding Common Shares, the number of Common Shares reserved for issuance to any participant will not exceed 5% of the issued and outstanding Common Shares, and the number of Common Shares reserved for issuance to participants that are insiders (as a group) will not exceed 10% of the issued and outstanding Common Shares.

The number of Common Shares reserved for issuance to all consultants and persons employed in investor relations activities on behalf of the Corporation will not exceed 2% of the issued and outstanding Common Shares.

Employment Agreements and Termination or Change of Control Benefits

As at the Record Date, there were no employment agreements entered into between the Corporation and Named Executive Officers or any other agreement under which a Named Executive Officer is entitled to receive payments following or in connection with any termination of employment or a change in control of the Corporation.

Pension Plan

There is no pension plan for Named Executive Officers of the Corporation.

Management contracts

No management functions of the Corporation were to any substantial degree performed other than by the Directors or executive officers of the Corporation, at any time since the start of the Corporation's most recently completed financial year.

Diversity

The Corporation has a long-standing view that Directors and members of management are best identified, nominated and/or appointed based on merit, which includes consideration of competencies, expertise, skills, background and other qualities the Corporation identifies from time to time as being important, regardless of whether or not the candidate is a member of a designated group. The CBCA defines “designated groups” to include women, Aboriginal peoples, persons with disabilities and members of visible minorities. While the Corporation respects the value of diversity, this view ensures that the Corporation consistently selects from the best possible candidates.

In light of the foregoing, the Corporation does not have a written diversity policy relating to the identification and nomination of Directors who are part of designated groups and the Corporation has not adopted a target number or percentage (or range) for members of the designated groups to hold positions on the Board or to be members of management by a specific date.

There is currently no woman, no member of a visible minorities, nor any other member of a designated groups who holds a position on the Board or who is a member of management.

The Corporation values maintaining a balance between, on one hand, the institutional experience from the members of its board and executive team and, on the other hand, the need for renewal and new perspectives and skills. In light of the foregoing, the Corporation has not adopted imposed age limits or term limits for the Board as it feels such limits may be arbitrary and may cause the loss of experience and expertise.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the commencement of the last completed fiscal year of the Corporation, none of the Directors or executive officers or employees of the Corporation have been or are indebted to the Corporation nor has the Corporation guaranteed or otherwise supported any indebtedness of any of the said parties during that period.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no informed person of the Corporation or any associate or affiliate of the foregoing has had any material interest, direct or indirect, in a transaction having been concluded since the beginning of the most recently completed fiscal year or in any proposed transaction which has or would affect in a material manner the Corporation or one of its subsidiaries.

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of Directors and officers an aggregate of \$5,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial years ended December 31, 2023 in respect of such insurance was \$18,285.00.

AUDIT COMMITTEE

The charter of the audit committee of the Corporation (the “**Audit Committee**”) is attached to this Circular as Schedule “A”.

The Audit Committee is composed of three members: David Teeple, Francis Bellido and Scott Rickards. Each member is currently a director of the Corporation although Mr. Rickards is not standing for re-election. His mandate will therefore terminate on June 20, 2024. All members of the Audit Committee are financially literate. A majority of the members are independent within the meaning of *Regulation 52-110 respecting Audit Committees* (“**Regulation 52-110**”). Francis Bellido, Chief Executive Officer of the Corporation, is not independent.

Relevant Education and Experience

Scott Rickards is the founder and Chief Executive Officer of Waterfund LLC, a private investment and financial services company focused on investing in water treatment infrastructure, distribution and logistics. In 2012, he launched Waterfund with the development of the Global Water Cost Index alongside IBM. Prior to founding Waterfund, Mr. Rickards was the Senior Business Development Executive at the Dubai Multi Commodities Centre (DMCC), an agency of the Dubai Government, responsible for Dubai Commodity Asset Management, a hedge fund and ETF investment platform licensed by the Central Bank of the United Arab Emirates. Mr. Rickards began his career in the Commercial Service of the U.S. Embassy in Buenos Aires, Argentina and was an analyst in the International Listings division of the New York Stock Exchange (NYSE). Mr. Rickards earned his BA from Columbia University and holds an MA in International Economics from the Johns Hopkins School of Advanced International Studies (SAIS).

Dr. Bellido spent his career overseeing and leading the development of several organizations in the healthcare industry. He brings strong financial management expertise, deep operating and leadership experience and a global business perspective, acquired over 30 years of international business in biosciences, healthcare and financial industries.

Notably, Dr. Bellido managed a CA\$300 million life science investment fund (SGF-Santé) that produced several important and key players in the medical device industry. He has a proven ability to approach technical and scientific issues with a solid business perspective. Dr. Bellido holds a PhD in medical microbiology from the University of Geneva and an MBA with a concentration in finance from the University of Québec at Montreal.

David Teeple brings relevant technical and business knowledge and a significant network, which he developed during his 30-year tenure in experience in the telecommunications, information technology/management (IT or IM) and information security systems. During his years in both the Canadian Military, as a Communications & Electronics Program/Project Management Officer, and in the Information Technology industry he has acquired experience in a wide variety of executive positions.

David Teeple was the founder and CEO of Phirelight Security Solutions Inc. that was acquired in December 2018 by a large international company offering space and security engineering services and technologies. David is currently one of their Cybersecurity Advisors. He holds a degree in computer sciences from University of Ottawa.

Audit and Compensation Committee Oversight

All the recommendations made by the Audit Committee with respect to the appointment and/or compensation of the Corporation's external auditors since the commencement of the Corporation's most recently completed financial year have been adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in section 2.4 of Regulation 52-110 in relation to "De Minimis Non-Audit Services", or an exemption from Regulation 52-110, in whole or in part, granted under Parts 6 and 8 of Regulation 52-110, other than the exemption granted under Section 6.1 of Regulation 52-110, which exempts venture issuers from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations).

Pre-Approval Policies and Procedures

Subject to the requirements of Regulation 52-110, the engagement of non-audit services is considered by the Corporation's Board of Directors, and where applicable by the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

For the last two fiscal years, the Corporation's external auditors have billed the following fees for their services to the Corporation:

	2023 Fiscal Year (\$)	2022 Fiscal Year (\$)
Audit fees	64,200.00	45,000
Audit-related fees ⁽¹⁾	-	-
Tax fees ⁽²⁾	9,613.95	7,500
Other fees	-	-
Total	73,813.95	52,500

Notes:

- (1) These fees include the fees and disbursements for services reasonably related to the performance of the audit of the Corporation's financial statements not reported under "Audit Fees".
- (2) These fees represent the aggregate fees and disbursements for the service related to tax compliance and tax advice.

CORPORATE GOVERNANCE

The Board of Directors considers good corporate governance to be important to the effective operations of the Corporation and to ensure that the Corporation is managed so as to enhance shareholder value.

The Board of Directors is responsible for ensuring that the Corporation addresses all relevant corporate governance issues in compliance with the corporate governance guidelines set forth in *Policy Statement 58-201 to Corporate Governance Guidelines*. The Corporation's disclosure of corporate governance practices pursuant to *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* is set out in Schedule "B" to this Circular in the form required by Form 58-101F2.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Corporation's audited consolidated financial statements and Management's Discussion and Analysis for the period ended December 31, 2023, a copy of which may be obtained on request to Marc Rousseau, CFO of the Corporation at 2300 Alfred Nobel, Montréal, Québec H4S 2A4 or Marc.Rousseau@quantumemotion.com. The Corporation may require the payment of a reasonable charge when the request is made by someone other than a shareholder.

PROPOSALS BY SHAREHOLDERS

Pursuant to the CBCA, resolutions intended to be presented by shareholders for action at the 2025 Meeting must comply with the provisions of the CBCA and be deposited at the Corporation's head office between 90 to 150 days before June 20, 2025, being the anniversary of the last annual shareholder meeting, in order to be included in the management proxy circular and form of proxy relating to such Meeting.

DIRECTORS' APPROVAL

The contents of this Circular, and the sending thereof to shareholders entitled to receive notice of the Meeting, to each Director and to the auditors of the Corporation, have been approved by the Board of Directors of the Corporation.

SIGNED in Montréal, Québec, on May 21, 2024.

QUANTUM EMOTION CORP.

(s) Francis Bellido

Francis Bellido, President and CEO

SCHEDULE “A”

Quantum eMotion Corp. (the “Corporation”)

AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with *Regulation 52-110 respecting Audit Committees* (“**52-110**”).

1. COMPOSITION

The Committee shall be comprised of at least three directors as determined by the Board. The majority of the members of the Committee shall be independent, within the meaning of 52-110.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee shall be financially literate.

For the purposes of this 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 presumably be expected to be raised by the Corporation’s financial statements.

The appointment of members to the Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected. If the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue to serve as members until their successors are validly appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of directors.

Unless a chairman is appointed by the Board, the members of the Committee may designate a chairman by a majority vote of all Committee members.

2. MEETINGS AND PROCEDURES

The Committee shall meet at least annually, or more frequently if required.

At all meetings of the Committee, every item brought to resolution shall be decided by a majority of the votes cast. In the case of an equality of votes, the chairman shall not be entitled to a second vote.

Quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee.

Each member (including the chairman of the Committee) is entitled to one vote in Committee proceedings.

The Committee may meet separately with senior management and may request that any member of the Corporation’s senior management or the Corporation’s outside counsel or independent auditors to attend

meetings of the Committee or other meetings with any members of, or advisors to, the Committee.

Furthermore, the Committee has the authority to hire the services of outside advisors, from time to time, when it is necessary to do so for carrying out its mandate.

The Committee shall, at the meeting of the Board following its own meeting, report to the directors on its work, activities and recommendations.

3. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

3.1 Financial Statements and Disclosure Matters

- 3.1.1 review the Corporation's financial statements, management's discussion and analysis and any press releases regarding annual and interim (as required by the Board) profit or loss, before the Corporation publicly discloses such information;

3.2 Independent Auditors

- 3.2.1 recommend to the Board the selection and, where applicable, the replacement of the independent auditors to be appointed annually as well the compensation of such independent auditors;
- 3.2.2 determine that the independent auditors appointed are a Public Accounting Firm that has entered into a Participation Agreement as such terms are defined in *Regulation 52-108 respecting Auditor Oversight* and that at the time of their report on the annual financial statements of the Corporation, they are in compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board;
- 3.2.3 oversee the work and review annually the performance and independence of the independent auditors;
- 3.2.4 on an annual basis, review and discuss with the independent auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;
- 3.2.5 consult with the independent auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- 3.2.6 review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditors of the Corporation;
- 3.2.7 review the audit plan for the year-end financial statements and intended template for such statements;
- 3.2.8 review and pre-approve all audit and audit-related services and the fees and others compensations related thereto, as well as any non-audit services provided by the independent auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:
 - 3.2.8.1 the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 10% of the total amount of fees paid by the Corporation and its subsidiary

entities to its independent auditors during the fiscal year in which the non-audit services are provided;

- 3.2.8.2 such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and
- 3.2.8.3 such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

3.3 Financial Reporting Processes

- 3.3.1 review with management, in consultation with the independent auditors, the integrity of the Corporation's financial reporting process, both internal and external;
- 3.3.2 consider the independent auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- 3.3.3 consider and report to the Board changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditors and management;
- 3.3.4 review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements;
- 3.3.5 review, with the independent auditors and management, the extent to which changes and improvements in financial or accounting practices have been implemented;
- 3.3.6 establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

3.4 Risk Management

- 3.4.1 oversee the identification, prioritisation and management of the risks faced by the Corporation;
- 3.4.2 direct the facilitation of risk assessments and measurement to determine the material risks to which the Corporation may be exposed and to evaluate the strategy for managing those risks;
- 3.4.3 monitor the changes in the internal and external environment and the emergence of new risks;
- 3.4.4 review the adequacy of insurance coverage;
- 3.4.5 monitor the procedures to deal with and review disclosure of information to third parties insofar as these disclosure represent a risk for the Corporation.

3.5 Whistleblowing Policy

- 3.5.1 As applicable, monitor and review compliance with the Corporation's Whistleblowing Policy;
- 3.5.2 establish a procedure for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

3.6 Reporting Responsibilities

- 3.6.1 the Committee shall report to the Board on a regular basis, and in any event:
 - 3.6.1.1 at least annually, with an assessment of the performance of management in the preparation of financial statements and Auditors in conducting the annual audit of the Corporation and discuss the report with the full Board following the end of each fiscal year;
 - 3.6.1.2 before the public disclosure by the Corporation of its financial statements, management's discussion and analysis and any press releases regarding annual and interim profit or loss and any reports or other financial information which are submitted to any governmental body or to the public; and
 - 3.6.1.3 as required by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

3.7 Annual Evaluation

- 3.7.1 annually, the Committee shall, in a manner it determines to be appropriate:
 - 3.7.1.1 conduct a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this charter; and
 - 3.7.1.2 review and assess the adequacy of this charter and the position description for the chairman of the Committee and recommend to the Board any improvements to this charter or the position description that the Committee determines to be appropriate, except for minor technical amendments to this charter, authority for which is delegated to the Corporate Secretary, who will report any such amendments to the Board at its next regular meeting.

SCHEDULE “B”

Quantum eMotion Corp. (the “Corporation”)

CORPORATE GOVERNANCE

Regulation 58-101 respecting Disclosure of Corporate Governance Practices requires the Corporation to annually disclose certain information pursuant to Form 58-101F2 of this regulation regarding its corporate governance practices.

Those practices are as follows:

A. Board of Directors

The Board of Directors is currently composed of Francis Bellido, Edward Lawrence Moore, David Teeple, Scott Rickards and Tullio Panarello. Edward Lawrence Moore, David Teeple, Scott Rickards and Tullio Panarello are independent directors. Francis Bellido, as CEO, is not independent. Mr. Rickards is not standing for re-election. His mandate will therefore terminate on June 20, 2024.

Regulation 58-101 respecting Disclosure of Corporate Governance Practices (“**Regulation 58-101**”) suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” 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 shareholding.

The Board of Directors meets formally on an as needed basis to review and discuss the Corporation’s business activities and to consider and if thought fit, to approve matters presented to the Board of Directors for approval, and to provide guidance to management. In addition, management informally provides updates to the Board of Directors at least once per quarter between formal meetings. In general, management consults with the Board of Directors when deemed appropriate to keep it informed regarding the Corporation’s affairs.

The Board of Directors facilitates the exercise of independent supervision over management through these various meetings. At present, the Board of Directors does not have any formal committees other than its Audit Committee. When necessary, the Board of Directors will strike a special committee of independent Directors to deal with matters requiring independence. The composition of the Board of Directors is such that the independent Directors have significant experience in business affairs and, as a result, these Directors are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board of Directors, the conflicted Director will in accordance with corporate law and in accordance with his fiduciary obligations as a director, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

B. Directorships

The current Directors named in the table below are directors of other reporting issuers as shown.

Directors	Reporting Issuers
Francis Bellido	Diagnos Inc.
Edward Lawrence Moore	n/a
Scott Rickards	n/a
David Teeple	n/a
Tullio Panarello	n/a

C. Orientation and Continuing Education

The Board of Directors of the Corporation briefs all new Directors with the policies of the Board of Directors, and other relevant corporate and business information.

D. Ethical Business Conduct

The Board of Directors has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction.

The Director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a Director, officer, employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the Director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the Director abstains from voting after disclosure of their interest, the Directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the Director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the Shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

E. Nomination of Directors

The Board of Directors is responsible for identifying individuals qualified to become new Directors and recommending to the Board new Director nominees for the next annual meeting of the shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation's mission and strategic objectives, and a willingness to serve.

F. Compensation

The Board of Directors conducts reviews with regard to Directors' compensation once a year. To make its recommendation on Directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

G. Other Board Committees

The Corporation has no committees other than the Audit Committee. The Board of Directors has not determined that additional committees are necessary at this stage of the Corporation's development.

H. Assessments

The Board of Directors monitors the adequacy of information given to Directors, communication between the Board of Directors and management and strategic direction and processes of the Board of Directors and the Audit Committee.

