



STRATEGEM CAPITAL

STRATEGEM CAPITAL CORPORATION

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(as at November 18, 2021 except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of STRATEGEM CAPITAL CORPORATION (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on December 29, 2021 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

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

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

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

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

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

- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

Beneficial Shareholders

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

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

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

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a voting instruction form (a "**VIF**") in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you), in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to have the Common Shares voted at the Meeting, or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares.**

Notice to Shareholders in the United States

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

Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor, and approval to the continuation of the Stock Option Plan and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed November 18, 2021 as the record date (the "**Record Date**") for the determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

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

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

Class B Shares

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

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

As of record date, November 18, 2021, there were 9,436,928 Class A Common Shares issued and outstanding, each carrying the right to one vote and 220 Class B Common Shares issued and outstanding, each carrying the right to one vote.

No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Class A and Class B Common Shares.

Class A Preference Shares

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

To the knowledge of the current management of the Company, the below named company or person beneficially owned, or controlled or directed, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the outstanding Class A Common Shares and Class B shares of the Company as at November 18, 2021 Record Date:

Name	Type of Ownership	Number and Percentage of Shares owned, controlled or directed ⁽¹⁾
SKKY Capital Corporation ⁽¹⁾	Direct	3,177,200 Class A Common Shares (33.7%)
2023378 Ontario Inc. ⁽²⁾	Direct	3,155,000 Class A Common Shares (33.4%)
Ken Little ⁽³⁾	Direct	200 Class B Common Shares (90.9%)

Notes:

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

FINANCIAL STATEMENTS

The consolidated audited financial statements of the Company for the Company's financial years ended December 31, 2020 and December 31, 2019, the report of the auditor thereon and the related management's discussion and analysis were filed under the Company's SEDAR profile at www.sedar.com on April 8, 2021, which financial statements will be tabled at the Meeting and which will be available at the Meeting.

ELECTION OF DIRECTORS

There are currently five directors of the Company. The Company has determined that the number of directors to be elected at the Meeting at five (5). Shareholders of the Company are being asked to fix the number of directors of the Company at five.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Advance Notice Provision

Effective as of June 5, 2014, advance notice provisions were added to the Company's Articles (the "**Advance Notice Provision**"). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia); or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

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

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

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

The following disclosure sets out the names of management’s five nominees for election as director, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at November 18, 2021.

Name of Nominee; Current Position with the Company and Province and Country of Residence	Occupation, Business or Employment⁽¹⁾	Period as a Director of the Company	Shares Beneficially Owned or Controlled⁽¹⁾
Honourable Stockwell Day, PC, ICD.D⁽⁶⁾ Chairman of the Board and Director British Columbia, Canada	Chairman of the Board of the Company; Founder, Stockwell Day Connex Ltd. <i>Refer to Director Biographies below.</i>	October 19, 2020	218,340 ⁽²⁾
Gordon Flatt⁽⁷⁾ Director Bermuda	Managing Partner & Chief Investment Strategist of the Company. <i>Refer to Director Biographies below.</i>	October 19, 2020	3,177,200 ⁽³⁾
Desmond M. Balakrishnan⁽⁶⁾ Director British Columbia, Canada	Corporate Securities Lawyer (1997 to present), Partner at McMillan LLP (formerly Lang Michener LLP) (2004 to present). <i>Refer to Director Biographies below.</i>	October 19, 2020	436,680 ⁽⁴⁾
Matthew Ciccì, CFA⁽⁶⁾ Director British Columbia, Canada	Senior Managing Director with Canaccord Genuity Wealth Management Canada. <i>Refer to Director Biographies below.</i>	October 19, 2020	Nil
Dickson Gould Director Manitoba, Canada	Chair of the Manitoba Protein Consortium, a director of Saskatchewan Pork, a director of Canada Pork International, and a director of Swine Innovation Porc. <i>Refer to Director Biographies below.</i>	May 1, 2021	218,340 ⁽⁵⁾

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) Mr. Day also holds 218,340 share purchase warrants to purchase 218,340 common shares at an exercise price of \$2.75 expiring on May 17, 2024.
- (3) Mr. Flatt’s Common Shares are held indirectly through SKKY Capital Corporation Limited, a company owned and controlled by Mr. Flatt. Mr. Flatt also holds 1,665,000 share purchase warrants through SKKY Capital Corporation Limited, to purchase 1,655,000 common shares at an exercise price of \$2.75 expiring on May 17, 2024.
- (4) 15,000 Common Shares are held indirectly through Desmond Balakrishnan Law Corporation, a company owned and controlled by Mr. Balakrishnan. Mr. Balakrishnan also holds 436,680 share purchase warrants to purchase 436,680 common shares at an exercise price of \$2.75 expiring on May 17, 2024.
- (5) Mr. Gould also holds 218,340 share purchase warrants to purchase 218,340 common shares at an exercise price of \$2.75 expiring on May 17, 2024.
- (6) A member of the Audit and Corporate Governance Committee.
- (7) A member of the Science and Technology Advisory Committee.

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

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

Director Biographies

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

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

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

Gordon Flatt, Director

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

Desmond M. Balakrishnan, Director

Desmond Balakrishnan was appointed to the Board of Directors of the Company on October 19, 2020. Mr. Balakrishnan is a Vancouver lawyer and has practiced law as a partner at McMillan LLP since January 2002. His areas of practice focus on mergers, acquisitions, international public listings, cannabis law, gaming and entertainment law. Mr. Balakrishnan acted as counsel to companies with respect to corporate governance, regulatory compliance, public listings on the Canadian Securities Exchange, the TSX Venture Exchange, the Toronto Stock Exchange, Nasdaq and the New York Stock Exchange, and debt or equity financings and strategic acquisitions. Mr. Balakrishnan is a director or officer of various public companies and reporting issuers.

Mr. Balakrishnan graduated from Simon Fraser University with a Bachelor of Arts degree in 1994 and from the University of Alberta in 1997 with an LL.B (*with distinction*). Mr. Balakrishnan was called to the bar in British Columbia in 1998. Mr. Balakrishnan is also a member of the Vancouver Bar Association, the Canadian Bar Association and the International Masters of Gaming Law.

Matthew Cicci, CFA, Director

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

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

Dickson Gould, Director

Dickson Gould was appointed to the Board of Directors of the Company on May 1, 2021. Currently, Mr. Gould serves as the Chair of the Manitoba Protein Consortium, a director of Saskatchewan Pork, a director of Canada Pork International, and a director of Swine Innovation Porc. Mr. Gould has been actively involved in agriculture for over 35 years and has extensive

experience in the swine sector. Mr. Gould is the President of The Progressive Group of Companies Inc. based in Niverville, Manitoba.

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

Cease Trade Orders and Bankruptcy

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

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Exception

Desmond Balakrishnan

Desmond Balakrishnan, a director of the Company, was a director of Aroway Energy Inc. (“Aroway”) a TSX Venture Exchange listed company at the time a cease trade order was issued by the British Columbia Securities Commission on January 4, 2016 for not having filed its annual financial statements for the year ended June 30, 2015 and its interim financial report for the financial period ended September 30, 2015 and its management’s discussion and analysis for the periods ended June 30, 2015 and September 30, 2015. The cease trade order remains in effect.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.

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

APPOINTMENT OF AUDITOR

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

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

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

Composition of the Audit Committee

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

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

The Audit Committee's Charter

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

Relevant Education and Experience

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

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

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

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The following table sets forth the fees billed by De Visser Gray LLP, Chartered Professional Accountants, to management of the Company, for services rendered in the last two financial years ended December 31, 2020 and December 31, 2019:

	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	15,000	20,000
Audit related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	2,500	3,000
All other fees ⁽⁴⁾	Nil	Nil
Total	<u>\$17,500</u>	<u>\$23,000</u>

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence

assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

- (3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice, includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

Exemption

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

CORPORATE GOVERNANCE

General

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

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

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

The Governance Policy suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “unrelated”, or “independent”, directors. An “unrelated” director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholdings. In addition, where a company has a significant shareholder, the Governance Policy suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder.

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

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

Board Mandate

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

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

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

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

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

Position Description

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

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

Board of Directors

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

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

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

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

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

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

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

The Board believes management is responsible for the effective, efficient and prudent management of the Company’s day-to-day operations subject to the Board’s stewardship. The CEO is responsible to lead and manage the Company within parameters established by the Board and its committees. The CEO also develops and recommends strategic plans to the Board and involves the Board in the early stages of developing such strategic plans. Additionally, the CEO is expected to successfully implement capital and operating plans, report regularly to the Board on the overall progress and results against the operating and financial objectives and initiate courses of action for improvement and develop and maintain a sound,

effective organizational structure, including progressive employee training and development programs. The CEO's objectives will be discussed and reviewed at least annually with the Board.

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

Directorships

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

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

Orientation and Continuing Education

The Company does not provide a formal orientation and education program for new directors of the Company. However, any new directors will be given the opportunity to: (a) familiarize themselves with the Company, the current directors and members of management; (b) review copies of recently publicly filed documents of the Company, technical reports and the Company's internal financial information; (c) have access to technical experts and consultants; and (d) review a summary of significant corporate and securities legislation. Directors are also given the opportunity for continuing education.

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

Nomination of Directors

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

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

The Board will consider its size each year when it considers the number of directors to recommend to its shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. Accordingly, in light of the Company's state of development, the Board considers five directors to be appropriate.

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

Compensation Governance

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

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

Ethical Business Conduct

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

Other Board Committees

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

Science and Technology Advisory Committee

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

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

- (a) reviewing and commenting upon business and competitive issues, proposals, plans, industry trends, corporate initiatives, strategy, new business development, potential acquisitions as may be requested by the Company's members of senior management team from time to time;
- (b) attend meetings as requested from time-to-time by the Company's senior management team and to render advice on issues discussed at such meetings; and
- (c) devote appropriate time and attention to the business and affairs of the Company as a member of STAC.

Assessments

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

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

STATEMENT OF EXECUTIVE COMPENSATION – Venture issuers

For the purposes of the below disclosure:

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

"external management company" includes a subsidiary, affiliate or associate of the external management company;

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a CEO;

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

DIRECTOR AND NAMED EXECUTIVE COMPENSATION

Currently, the Company has two NEOs and five directors who are not NEOs. The NEOs of the Company are Jo-Anne O’Connor, CEO and President who was appointed an Officer of the Company on October 19, 2020, and Carol Fozo CPA,CMA who was appointed CFO of the Company on October 19, 2020 and appointed Secretary on December 30, 2020. The directors of the Company who are not NEOs are: Honourable Stockwell Day, Gordon Flatt, Desmond M. Balakrishnan, Matthew Cicci, CFA and Dickson Gould.

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

Appointments/Resignations of Directors and Officers:

Officers

Effective October 19, 2020:

- i) Kenneth Morgan resigned as Chief Executive Officer and President of the Company;
- ii) Jo-Anne O’Connor was appointed Chief Executive Officer and President of the Company;
- iii) Winnie Wong resigned as Chief Financial Officer and Secretary of the Company;
- iv) Carol Fozo , CPA, CMA, was appointed Chief Financial Officer of the Company; and
- v) Honourable Stockwell Day, PC, ICD.D was appointed Chairman of the Board of the Company.

Effective December 30, 2020, Carol Fozo, CPA, CMA was appointed Secretary of the Company.

Effective August 1, 2021, Dr. John Waterer, PhD was appointed Chief Science Officer and Director of Life Science.

Directors

Effective October 19, 2020:

- i) Kenneth W. Morgan, Mark T. Brown, Michael Katz and Marc Blythe resigned as directors of the Company; and
- ii) Desmond Balakrishnan, Matthew Cicci, CFA, Honourable Stockwell Day, PC, ICD.D and Gordon Flatt were appointed Directors of the Company.

Effective May 1, 2021, Dickson Gould was appointed a director of the Company.

Oversight and Description of Director and NEO Compensation

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

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

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

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

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

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

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

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

Compensation Review Process

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

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

Compensation of Board Members and Named Executive Officers

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

Philosophy and Objectives

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

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

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

Elements of Executive Compensation Program

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

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

Name and principal position	Year	Salary (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	Value of All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Carol Fozo, CPA CFO and Secretary	2020 2019	--- ---	--- ---	--- ---	--- ---	--- ---	\$25,000 ---	\$25,000 ---
Winnie Wong former CFO and former Secretary	2020 2019	--- ---	--- ---	--- ---	--- ---	--- ---	\$35,641 ⁽¹⁾ \$52,377 ⁽¹⁾	\$35,641 ⁽¹⁾ \$52,377 ⁽¹⁾

Note:

⁽¹⁾ Pacific Opportunity Capital Ltd. (“POC”), a company of which Winnie Wong, Vice President, charged a total of \$35,641 and \$52,377, for accounting and management fees during 2020 and, 2019 respectively.

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

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

Related party transactions and balances

The aggregate value of transactions and outstanding balances for the year ended December 31, 2020, relating to current and former key management personnel and entities over which they have control or significant influence were as follows:

	Short-Term Employee Benefits	Post-Employment Benefits	Other Long-Term Benefits	Severance and Release Payments	Share-Based Payments	Management Fees/Legal Fees	Total
Kenneth W. Morgan Chief Executive Officer ^(a) , President and Director	\$92,861	---	---	\$1,200,000	---	---	\$1,292,861
Mark T. Brown ^(b) Director	\$11,223	---	---	---	---	---	\$11,223
Michael Katz ^(b) Director	\$11,223	---	---	\$250,000	---	---	\$261,223
Marc Blythe ^(b) Director	\$11,223	---	---	---	---	---	\$11,223
Pacific Opportunity Capital Ltd. ^(c)	\$46,036	---	---	---	---	---	\$46,036
Jo-Anne O’Connor Chief Executive Officer & President	---	---	---	---	---	\$25,000	\$25,000
Carol Fozo Chief Financial Officer and Secretary	---	---	---	---	---	\$25,000	\$25,000

	Short-Term Employee Benefits	Post-Employment Benefits	Other Long-Term Benefits	Severance and Release Payments	Share-Based Payments	Management Fees/Legal Fees	Total
McMillan LLP	---	---	---	---	---	\$28,956	\$28,956

Due to current and former related parties:

	Services For	As at December 31, 2020	As at December 31, 2019
Amounts due to:			
Pacific Opportunity Capital Ltd.	Rent and accounting (c)	\$6,815	\$1,659
Mark T. Brown	Director fee (b)	\$Nil	\$3,195
Michael Katz	Director fee (b)	\$Nil	\$3,500
Marc Blythe	Director fee (b)	\$Nil	\$3,195
Yew Street Capital Corporation	Management fees (a)	\$Nil	\$9,660
Jo-Anne O'Connor Chief Executive Officer and President	Management fees (d)	\$25,000	\$Nil
Carol Fozo, Chief Financial Officer and Secretary	Management fees (d)	\$25,000	\$Nil
McMillan LLP	Legal fees (b)	\$13,500	\$Nil
TOTAL:		\$70,315	\$21,209

Notes:

- (a) During the year ended December 31, 2020, Mr. Morgan was paid management fees of \$92,861 (2019 - \$115,920) and severance of \$250,000 by the Company to Yew Street Capital Corporation, a company controlled by him. In addition, an indemnification release payment of \$950,000 was paid in trust to legal counsel of Yew Street Capital Corporation.
- (b) Former management of the Company paid director fees of \$3,000 per quarter and \$500 per meeting to each independent director. The Company also paid one director a severance payment of \$250,000. On October 19, 2020, Mark Brown, Michael Katz and Marc Blythe resigned and four new directors were appointed. The new directors waived their director fees for 2020. One of the directors is a partner of McMillan LLP, a firm which provides legal services to the Company.
- (c) During the year ended December 31, 2020, Pacific Opportunity Capital Ltd., a company controlled by a former director of the Company, was paid \$46,036 (2019 - \$52,377) for rent and accounting fees.
- (d) During the year ended December 31, 2020, Jo-Anne O'Connor and Carol Fozo each charged the Company \$25,000 (2019 - \$Nil) for management services provided.

Director Compensation at December 31, 2020

Other than compensation paid to the Company's NEOs, and except as set out in this Information Circular, no compensation was paid to the former directors of the Company during the Company's financial year ended December 31, 2020, in their capacity as directors of the Company of compensation paid or accrued during the Company's financial year ended December 31, 2020, to the Company's former directors, in their capacity as members of a committee of the Board, or as consultants or experts, other than the NEOs previously disclosed:

Director Compensation Table

Name	Fees Earned ⁽¹⁾ (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Mark T. Brown	\$11,223	N/A	N/A	N/A	N/A	\$11,223
Michael Katz	\$11,223	N/A	N/A	N/A	\$250,000	\$261,223
Marc Blythe	\$11,223	N/A	N/A	N/A	N/A	\$11,223

Note: Former management of the Company paid director fees of \$3,000 per quarter and \$500 per meeting to each director.

Termination and Change of Control Benefits at December 31, 2020

The table below sets out the estimated incremental payments, payables and benefits due to each of the NEOs on termination without cause assuming termination on December 31, 2020.

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

The table below sets out the estimated incremental payments, payables and benefits due to each of the NEOs on termination on a change of control or resignation for good cause following a change of control assuming termination or resignation on December 31, 2020.

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

Stock Options and Other Compensation Securities

10% “rolling” Stock Option Plan (Option-Based Awards)

The Company has in place a 10% “rolling” stock option plan which was initially adopted on December 4, 2008, as amended on June 9, 2011 (the “**Stock Option Plan**”).

Refer to heading below “**PARTICULARS OF MATTERS TO BE ACTED UPON – Continuation of 10% “rolling” Stock Option Plan**”.

The Stock Option Plan was implemented for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through stock options granted pursuant to the Stock Option Plan to purchase Shares. The Stock Option Plan was established to also provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company.

Under the Stock Option Plan, options totalling a maximum of 10% of the Common Shares outstanding from time to time are available for grant. The Stock Option Plan is administered by the Board in providing options to be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All grants require approval of the Board. Under the terms of the Stock Option Plan, Options granted under the Stock Option Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the option. The Board is of the view that the Stock Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in compensation with other companies in the industry.

The following information is a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting. All references to “shares” in the below description are Class A Common shares.

1. The maximum number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares of the Company at the time of grant, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the closing price

of the Company's shares traded through the facilities of the TSX Venture Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the TSX Venture Exchange or, if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.

2. The Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding ten years from the date on which the Board grants and announces the granting of the option.
4. In the event that an option holder holds his or her options as a director or officer of the Company and such option holder ceases to hold such position other than by reason of death or disability, the expiry date of the option shall be, unless otherwise expressly provided for in the option certificate, the 90th day following the date the option holder ceases to hold such position.
5. In the event that the option holder holds his or her options as an employee or consultant, other than an option holder who is engaged in investor relations activities, and such option holder ceases to hold such position other than by reason or death or disability, the expiry date of the option shall be, unless otherwise expressly provided for in the option certificate, the 90th day following the date the option holder ceases to hold such position, or, in the case of an option holder that is engaged in investor relations activities while the Company is classified as a Tier 2 issuer on the TSX Venture Exchange, the 30th day after the date such option holder ceases to hold such position.

The Board retains the discretion to impose vesting periods on any options granted.

Incentive Plan Awards

There were no outstanding stock options during financial years ended December 31, 2020 and December 31, 2019. There were no share-based awarded during financial years ended December 31, 2020 and December 31, 2019.

Exercise of Compensation Securities by NEOs

There were no options exercised during financial years ended December 31, 2020 and December 31, 2019.

Pension Plan Benefits

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

NORMAL COURSE ISSUER BID

On August 27, 2020, the Company obtained approval from the TSX Venture Exchange to undertake a normal course issuer bid to allow the Company to purchase of up to 216,084 of its Class A common shares, representing approximately 5% of its issued and outstanding shares, with purchases on the open market through the facilities of the TSX Venture Exchange by PI Financial Corp. between September 1, 2020 and August 31, 2021.

During the year ended December 31, 2020, 76,000 Class A common shares were purchased for \$174,260, In January 2021, a total of 76,000 Class A common shares were returned to treasury and cancelled.

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan the Company has in place is its 10% “rolling” stock option plan.

The following table sets out equity compensation plan information as at the Company’s financial year ended December 31, 2020:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options,(a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Equity compensation plans approved by the securityholders – Stock Option Plan	Nil	N/A	424,569
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	Nil		424,569

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out in this Information Circular, to the knowledge of management of the Company, no informed person of the Company, proposed director of the Company, or any associate or affiliate of any informed person or proposed director of the Company has any interest, director or indirect, in any transaction since the commencement of the Company’s financial year ended December 31, 2020 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

“**Informed Person**” means:

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

MANAGEMENT CONTRACTS

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

PARTICULARS OF MATTERS TO BE ACTED UPON

Continuation of 10% “rolling” Stock Option Plan

The Company has a 10% “rolling” Stock Option Plan which was initially adopted on December 4, 2008, as amended on June 9, 2011 (the “**Plan**”) as described under heading “**Stock Options and Other Compensation Securities**” above. Under the Plan, options totaling a maximum of 10% of the Common Shares outstanding from time to time are available for grant.

To comply with the policies of the TSX Venture Exchange covering “rolling” option plans, continued grants under the Plan must be approved annually by the shareholders of the Company.

Shareholder Approval

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

“**RESOLVED** that the Company’s 10% rolling Stock Option Plan dated for reference December 4, 2008, as amended on June 9, 2011, be and is hereby ratified and approved for continuation until the next annual meeting of the Company.”

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

A shareholder may also obtain a copy of the Plan by contacting the Company at Tel.: 1-833-743-4743 / Fax: 1-833-743-4743.

The Board recommends that shareholders vote in favour of the Plan.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company’s SEDAR profile at www.sedar.com. Financial information about the Company is provided in the Company’s comparative annual financial statements for the years ended December 31, 2020 and December 31, 2019, a copy of which, together with the auditor’s report thereon, and the related management’s discussion and analysis, can be found under the Company’s SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at Tel.: 1-833-743-4743 /Fax: 1-833-743-4743.

OTHER MATTERS

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

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

DATED at Calgary, Alberta, November 25, 2021.

ON BEHALF OF THE BOARD

“Jo-Anne O’Connor”

Jo-Anne O’Connor
Chief Executive Officer and President

STRATEGEM CAPITAL CORPORATION

Schedule "A" Audit Committee Charter

The Charter

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

Mandate

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

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

Composition

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

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

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

Meetings

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

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

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

7. External Auditors

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

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

8. Financial Reporting Processes

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

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

9. Other

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