

**FOUNTAIN ASSET CORP.
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY given that the Special Meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of the subordinate voting shares and the multiple voting shares of Fountain Asset Corp. (the “**Company**” or “**Fountain Asset**”) will be held on **October 30, 2024 at 11:00 a.m. (Toronto time)**, at **222 Bay Street, Suite 2600, Toronto, Ontario, M5K 1B7** for the following purposes:

1. CONSIDER and, if deemed appropriate, to pass, an ordinary resolution to approve the issuance of an aggregate of 2,550,000 subordinate voting shares of the Company at a deemed price of \$0.05 per share in full satisfaction of certain outstanding indebtedness of the Company in the aggregate amount of \$127,500, as more fully set forth in the accompanying Information Circular (the “**Circular**”); and
2. TO TRANSACT such other business as may properly come before the Meeting or any adjournments thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

A form of proxy accompanies this notice. If you are a registered Shareholder, whether or not you are able to attend the Meeting in person, the accompanying form of proxy should be completed, signed, dated and returned to TSX Trust Company, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, not later than 11:00 a.m. (Toronto time) on October 28, 2024 or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

If you are a non-registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with instructions provided to you by your broker or such other intermediary.

BY ORDER OF THE BOARD OF DIRECTORS

Dated September 30, 2024

“*Andrew Parks*” (signed)

Andrew Parks

Chief Executive Officer and Director

FOUNTAIN ASSET CORP.
INFORMATION CIRCULAR
(as at September 30, 2024, except as indicated)

SOLICITATION OF PROXIES

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of management of Fountain Asset Corp. (the “**Company**” or “**Fountain Asset**”) for use at the special meeting of the holders of the subordinate voting shares (the “**SVS**”) and the multiple voting shares (the “**MVS**” and, together with the SVS, the “**Shares**” and the holders thereof “**Shareholders**”) of the Company (the “**Meeting**”) to be held on **October 30, 2024 at 11:00 a.m. (Toronto time)**, at **222 Bay Street, Suite 2600, Toronto, Ontario, M5K 1B7**, for the purpose set forth in the enclosed notice of special meeting of Shareholders (the “**Notice of Meeting**”) and at any adjournments thereof.

Proxies will be solicited primarily by mail but may also be solicited personally, by telephone or by facsimile by the directors, officers or employees of the Company at nominal costs. The costs of solicitation will be borne by the Company. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the shares of the Company. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

APPOINTMENT OF PROXY HOLDERS AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy with this Circular are directors of the Company. **Any Shareholder desiring to appoint some other person, who need not be a Shareholder of the Company, to represent them at the Meeting may do so** by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the Company’s transfer agent, TSX Trust Company, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department before **11:00 a.m. on October 28, 2024** or by fax 416-595-9593, or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned meeting. A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

A Shareholder has the right to revoke a proxy by delivering an instrument in writing, executed by the Shareholder or by the Shareholder’s personal representative authorized in writing and delivered either to the registered office of the Company 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 Chairman of the Meeting on the day of the Meeting or an adjournment thereof, or in any other manner provided by law.

Shareholders can contact TSX for any questions/inquiries at:
Email – tsxtis@tmx.com
Toll free number – 1-866-600-5869

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders of the Company as a substantial number of Shareholders do not hold shares of the Company in their own name and thus are considered non-registered beneficial Shareholders. Shareholders who do not hold shares of the Company in their own name (“**Beneficial Holders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting. If shares of the Company are listed in an account statement provided to a Shareholder by a broker then, in almost all cases, those shares will not be registered in the Shareholder’s name on the records of the Company. Shares beneficially owned by Beneficial Holders are typically registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans) that the Beneficial Holder deals with in respect of the shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, the Company will

have distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy to the Intermediaries or clearing agencies for onward distribution to Beneficial Holders. If you are a Beneficial Holder, your Intermediary will be the entity legally entitled to vote your shares at the Meeting. Shares of the Company held by an Intermediary can only be voted upon the instructions of the Beneficial Holder. Without specific instructions, Intermediaries are prohibited from voting shares.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Holders in advance of the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its Intermediary is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Holder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Beneficial Holder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Holder may call a toll-free telephone number or access the Internet to provide instructions regarding the voting of shares held by the Beneficial Holder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Holder receiving a voting instruction form cannot use that voting instruction form to vote shares of the Company directly at the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have such shares voted.

Beneficial Holders should ensure that instructions respecting the voting of their shares of the Company are communicated in a timely manner and in accordance with the instructions provided by their Intermediary or Broadridge, as applicable. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders in order to ensure that their shares are voted at the Meeting.

Although a Beneficial Holder may not be recognized directly at the Meeting for the purpose of voting shares of the Company registered in the name of their Intermediary, a Beneficial Holder may attend the Meeting as proxyholder for the Intermediary and vote the shares in that capacity. **Beneficial Holders who wish to attend the Meeting and indirectly vote their shares as a proxyholder should enter their own names in the blank space on the form of proxy or voting instruction form provided to them by their Intermediary and/or Broadridge, as applicable, and return the same in accordance with the instructions provided by their Intermediary and/or Broadridge, as applicable, well in advance of the Meeting.**

The purpose of the above noted procedures is to permit Beneficial Holders to direct the voting of the shares of the Company which they beneficially own. Beneficial Holders should carefully follow the instructions and procedures of their Intermediary or Broadridge, as applicable, including those regarding when and where the form of proxy or voting instruction form is to be delivered.

NOTICE TO BENEFICIAL HOLDERS

Beneficial Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners, or "NOBOs". Beneficial Holders who have objected to their Intermediary disclosing the ownership information about themselves to the Company are referred to as objecting beneficial owners, or "OBOs". In accordance with the requirements of NI 54-101, the Company is sending the Notice of Meeting, this Circular, and a form of proxy or voting instruction form, as applicable (collectively, the "**Meeting Materials**") directly to the NOBOs and, indirectly, through Intermediaries to the OBOs. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. The Company will pay the fees and costs of Intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

VOTING OF PROXIES

A Shareholder may direct the manner in which his or her Fountain Asset shares are to be voted by marking the form of proxy accordingly. If the instructions in a proxy given to management are certain, the Fountain Asset shares represented by the proxy will be voted on any poll, and where a choice with respect to the resolution has been specified in the proxy, the Fountain Asset shares will be voted on any poll in accordance with the specification so made. Where no choice is so specified or in the absence of certain instructions, the proxy will confer discretionary authority and will be voted FOR the approval of the issuance of an aggregate of 2,550,000 SVS at a deemed price of \$0.05 per share in full satisfaction of certain outstanding indebtedness of the Company in the aggregate amount of \$127,500, in accordance with the policies of the TSX Venture Exchange (the "**Exchange**") and as more fully described herein (the "**Share for Debt Transaction**").

EXERCISE OF DISCRETION BY PROXY HOLDERS

The enclosed form of proxy confers discretionary authority upon the proxy holders named therein with respect to amendments or variations to matters identified in the Notice of Meeting and other matters not so identified which may properly be brought before the Meeting. At the date of this Circular, the management of Fountain Asset knows of no such amendments, variations or other matters to come before the Meeting. **If any other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their judgement on such matter.**

QUORUM

Two persons present, in person, each being a Shareholder entitled to vote thereat, or a duly appointed proxy for an absent Shareholder so entitled will constitute a quorum at the Meeting or any adjournment or postponement thereof. The Company's list of Shareholders as of the Record Date (as defined below) has been used to deliver to Shareholders the Meeting Materials as well as to determine who is eligible to vote at the Meeting.

RECORD DATE

The Board of Directors of the Company (the "**Board**") has fixed the close of business on September 30, 2024 as the record date (the "**Record Date**") for the purposes of determining the holders of Fountain Asset shares entitled to receive notice of and to vote at the Meeting. In accordance with the provisions of the *Canada Business Corporations Act* (the "**CBCA**"), the Company has prepared a list of the holders of Fountain Asset shares on the Record Date. All Shareholders of record as at the close of business on the Record Date will be entitled to vote at the Meeting.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than Mr. Andrew Parks who has an interest in the Share for Debt Transaction as further described herein, no director or senior officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of the Record Date, the Company had outstanding:

- 87,760 MVS
 - The holders of the MVS are entitled to four votes for each MVS held.
- 61,776,702 SVS
 - The holders of the SVS are entitled to one vote for each SVS held.

In order to be effective, each ordinary resolution to be submitted to Shareholders at the Meeting must be approved by the affirmative vote of at least 50% of the votes cast thereon, excluding Shares held by Mr. Andrew Parks. Approximately 99.7% of the votes are controlled by the outstanding SVS.

Pursuant to the Company's Articles of Amalgamation, if an offer to purchase MVS must, by reason of applicable securities legislation or the requirements of a stock exchange on which the MVS or the SVS are listed, be made to all holders of MVS located in a particular province of Canada in which the requirement applies, and is not made concurrently with an offer to purchase SVS, each SVS will become convertible, at the option of the holder, into one MVS. The conversion right may be only exercised for the purpose of depositing the resulting MVS in response to the offer and the transfer agents and the registrar of the Company will deposit the resulting MVS on behalf of the Shareholder. If the MVS resulting from the conversion are subsequently withdrawn from the bid by the Shareholder or not taken up by the offeror or if the offer is abandoned and withdrawn by the offeror, the MVS thus converted will be reconverted into SVS. In no other circumstances will the SVS be convertible into MVS.

To the knowledge of the directors and senior officers of the Company, as at the Record Date, the only person or company known to Fountain Asset, its directors and officers to beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to the outstanding MVS is 425674 Ontario Limited who holds directly and indirectly 13,564 MVS (representing approximately 15.5% of the outstanding MVS).

To the knowledge of the directors and senior officers of the Company, as at the Record Date, no one person or company known to Fountain Asset, its directors and officers beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to the outstanding SVS.

SHAREHOLDER COMMUNICATION

Management is available to Shareholders to respond to questions and concerns on a prompt basis. The Board believes that its communications with Shareholders and others interested in the Company are responsive and effective.

Shareholders can request to receive a copy of Fountain Asset's 2023 year-end financial statements and management's discussion and analysis ("**MD&A**"), this Circular or quarterly financial statements free of charge by mailing a request to Fountain Asset Corp., 3 Market Street, Unit 609, Toronto, Ontario, M5E 0A3 or emailing info@fountainassetcorp.com, or by visiting the Company's website, www.fountainassetcorp.com.

MATTERS TO BE ACTED UPON AT THE MEETING

SHARE FOR DEBT TRANSACTION

The Company was formerly party to an employment agreement dated October 16, 2017 with Andrew Parks for CEO services (the "**Former Parks Agreement**") which provided for an annual salary of \$175,000 (the "**Original Salary**") payable to Mr. Parks in accordance with the terms thereof. In order to reduce its administrative costs, the Company terminated the Former Parks Agreement and entered into a new agreement with Mr. Parks effective August 1, 2024 (the "**New Parks Agreement**") which provides for the provision of CEO services a reduced annual salary of \$90,000 (the "**New Salary**"). The Former Parks Agreement contained a clause providing that in the event it is terminated without cause, the Company is required to pay to Mr. Parks the greater of (i) eighteen months of base salary and benefits continuation; and (ii) the minimum entitlements required by the Ontario *Employment Standards Act, 2000* (the "**Termination Payment**"). As a result of the execution of the New Parks Agreement, the Company and Mr. Parks have agreed that the Termination Payment is equal to \$127,500, calculated as the difference between the Original Salary and the New Salary per annum, pro-rated over the eighteen month period prescribed for calculation of the Termination Payment.

In order to assist the Company in preserving cash, Mr. Parks has agreed to the Share for Debt Transaction pursuant to which he has agreed to accept an aggregate of 2,550,000 SVS at a deemed price of \$0.05 per share in full satisfaction of the Termination Payment owing. The Share for Debt Transaction is subject to Exchange approval, which in turn requires the Company to obtain disinterested Shareholder approval. The Share for Debt Transaction has been approved by the independent directors of the Company, and the Company is of the opinion that the Share for Debt Transaction is in the best interests of the Company as it will allow the Company to preserve cash for future operations. Accordingly, at the Meeting, Shareholders will be invited to consider and, if deemed acceptable, approve the following resolution (the "**Share for Debt Resolution**"):

Multilateral Instrument 61-101

The Share for Debt Transaction constitutes a "related party transaction" of the Company for the purposes of Multilateral Instrument 61-101 ("**MI 61-101**") as it involves the issuance of SVS to Mr. Parks who is a "related party" of the Company as defined in MI 61-101. The Share for Debt Transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to subsections 5.5(a) and 5.7(1)(a) thereof, on the basis that the fair market value of the Termination Payment does not exceed 25% of the market capitalization of the Company, in accordance with the provisions of MI 61-101.

Share for Debt Resolution

"BE IT RESOLVED THAT:

1. The share for debt transaction described in the Management Information Circular of the Company dated September 30, 2024 (the “Circular”) be approved and the Company be authorized to issue an aggregate of 2,550,000 subordinate voting shares at a deemed price of \$0.05 per share to settle aggregate indebtedness owing to Mr. Andrew Parks in the amount of \$127,500; and
2. any director or officer of the Company be authorized and directed to make all such filings, perform all such acts and deeds and things and execute, under seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to this resolution.”

The Board recommends that Shareholders vote FOR the approval of the Share for Debt Resolution. Unless the Shareholder directs that his or her shares are to be voted against the approval of the Share for Debt Resolution, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Share for Debt Resolution.

In order to be effective, the Share for Debt Resolution must be approved by a majority of the Shareholders voting at the Meeting, excluding the votes attaching to any Shares held by Mr. Parks, his associates and his affiliates. As of the date of this Circular, a total of 4,886,500 SVS and nil MVS are held by Mr. Parks, his associates and his affiliates and will be excluded from voting.

OTHER MATTERS

Management of the Company knows of no amendment, variation, or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Company will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The executive compensation strategy is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and long term aligned with the interests of the Shareholders.

The Compensation Committee is responsible for establishing, reviewing and making recommendations to the Board concerning the overall compensation policies for the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and other key executives of the Company. For executives other than the CEO, the CEO makes compensation recommendations to the Compensation Committee. The Compensation Committee evaluates the Chief Executive Officer’s performance and, based on its evaluation, reviews and makes recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for the Chief Executive Officer based on such evaluation. In determining the Chief Executive Officer’s compensation, the Compensation Committee considers the terms of his employment contract with the Company and may additionally consider a number of other factors, including the Company’s performance, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the Chief Executive Officer in past years and other factors it considers relevant. The Compensation Committee also reviews and makes recommendations to the Board with respect to compensation, benefits and perquisites for all other senior officers of the Company, incentive compensation and equity-based plans, and policies regarding management benefits and perquisites. The Company does not engage an outside consulting firm to provide executive compensation consulting. There is no regulatory oversight of the Company’s compensation process for the Company’s executive officers. The Company did not use any specific benchmarks for determining the executive officer compensation.

The objectives of the Company’s executive compensation strategy are to:

1. Attract and retain talented and effective individuals to assume responsibility for those functions that are critical to the Company’s success;
2. Encourage and recognize high levels of performance by linking incentive compensation to the Company’s profitability;
3. Link compensation to the achievement of the Company’s strategic objectives of growth and the enhancement of shareholder value; and
4. Encourage retention of key executives for leadership succession.

The compensation program is comprised of the following elements:

- Base salary,
- Option-based awards,
- Non-Equity Incentive Plan, and
- All other compensation.

The elements of compensation for the executive officers of the Company during the financial year ended December 31, 2023 included base salaries, company-wide employee health and welfare benefits (including medical and dental) and non-equity incentive plan bonus. The Company's executive compensation structure is designed to encourage and motivate executives to achieve high levels of performance, both individually and for the Company, particularly over the medium-to-long term. An executive's overall compensation package in any given year will reflect the functions being performed, and his or her overall contribution to the organization, capacity to improve the Company's financial performance, enthusiasm and loyalty, and ability to create (or help to create) value for the benefit of the Shareholders. The Compensation Committee believes that the base salary component provides a measure of certainty and predictability to meet certain living and other financial commitments and, together with the cash bonus component, motivates executives in the short-to-medium term, while stock option grants align their interests with those of the Shareholders and assist in keeping the Company competitive in attracting and retaining high quality executives.

Salary

Amounts paid to an executive officer as base salary, including merit salary increases, are determined by reference to the individual's performance and salaries prevailing in the marketplace for comparable positions. The base salary of each executive officer is reviewed as required. Salary adjustments take into consideration the general level of salaries in the marketplace for comparable positions, the performance of the executive and the Company's performance.

Share Based Awards

At this time, the Company does not have any Share-based Awards compensation program.

Options Based Awards

Stock options granted under the Company's stock option plan (the "**Plan**") are designed to give each optionee an interest in preserving and maximizing Shareholder value in the longer term by linking compensation to the share price of the Company's shares. The Compensation Committee has the sole discretion to determine the key employees to whom it recommends that grants be made and to determine the number of the options forming part of such grant. The Compensation Committee presents these recommendations to the Board for modification or approval.

Non-Equity Incentive Plan

Fountain Asset has established a Non-Equity Incentive Plan that focuses on providing annual incentive to the executive team. At this time there is a short-term incentive plan ("**Annual Incentive Plan**") but there is no long-term incentive plan.

The Annual Incentive Plan is in the form of a management bonus agreement ("**Management Bonus Agreement**"), which serves as an incentive for performance (whereby performance is measured by reference to Fountain Asset's financial performance) of the Company's management. The Management Bonus Agreement states that Fountain Asset's management and key consultants receives a bonus pool of 20% of the amount of net realized gains, interest, dividends, structuring and consulting fee revenue of Fountain Asset that is in excess of a hurdle rate of 8% of the Company's opening net asset value for the year. The bonus pool is calculated and payable on an annual basis.

Pension

At this time, the Company does not include a pension component to its compensation plan.

Other Compensation

All other compensation is reviewed and approved by the Compensation Committee on an individual basis to recognize and reward members of the executive team for going above and beyond their employment contract to increase the value of the Company.

Risks of Compensation Policies and Practices

The Board, with the help of the Compensation Committee, has assessed the Company's compensation plans 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 considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Financial Instrument

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed 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. To the knowledge of the Company none of the executive officers or directors has purchased such financial instruments.

Members of the Compensation Committee

The Compensation Committee currently consists of Michael Galloro, Paul Kelly and Morris Prychidny, all of whom are independent.

Paul Kelly has held several senior executive positions. He has experience dealing with Compensation Committees as well as compensation consultants. Roger Daher held a prior position on the Compensation Committee at Sweet Natural Trading Co. Limited. Roger hired the CEO and used a third party evaluator to put in place their employment contract.

The Company did not retain any compensation consultant or advisor in the past year.

Executive Compensation for the Year Ended December 31, 2023

The Company has a salary compensation program to ensure it has access to executives with the skills needed to manage the Company's business interests and assets and to ensure the Company has access to the capital it needs. The Company has employment or consulting agreements with each of Andrew Parks and Matthew Davis. Andrew Parks, the Chief Executive Officer of the Company, has an annual compensation of \$175,000. Pursuant to a consulting agreement between the Company and Lancaster Capital Advisory Corp. ("**Lancaster**"), a privately held corporation of which Mr. Davis is a director and significant shareholder, Lancaster is entitled to receive a monthly fee of \$8,640 (\$103,680 annual compensation) for Chief Financial Officer and Controller services rendered.

Andrew Parks' employment agreement has clauses typical of such agreements in respect of termination, including termination for cause. In the event of termination without cause, Fountain Asset will pay to Andrew Parks the greater of (i) eighteen months of base salary and benefits continuation and (ii) the minimum entitlements required by the Ontario *Employment Standards Act, 2000*, in addition to all other sums which may be due to Mr. Parks.

The foregoing Report on Executive Compensation is submitted by the Compensation Committee.

Summary Compensation Table

In this Circular, a Named Executive Officer ("**NEO**") means: (a) the Company's Chief Executive Officer; (b) the Company's Chief Financial Officer; (c) the Company's three other most highly compensated executive officers at the end of the financial year ended December 31, 2023 whose total compensation was, individually, more than \$150,000; and (d) each individual who would be an NEO but for the fact that the individual was neither an executive officer of the Company, nor serving in a similar capacity, at the end of the financial year ended December 31, 2023. Based on the foregoing, Andrew Parks and Matthew Davis were the only NEOs of the Company during the year ended December 31, 2023. The following table sets forth information concerning the total annual compensation for services rendered to the Company for the years ended December 31, 2023, 2022 and 2021 in respect of the NEOs:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$) ⁽ⁱ⁾	Non-Equity Incentive Plan Compensation		Pension value (\$)	All Other Compensation (\$) ⁽ⁱⁱ⁾	Total Compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Andrew Parks (CEO)	2023	175,000	Nil	Nil	Nil	Nil	Nil	Nil	175,000
	2022	175,000	Nil	99,960	370,049	Nil	Nil	Nil	645,009
	2021	175,000	Nil	55,320	Nil	Nil	Nil	100,000	330,320
Michael Leskovec (Former CFO) ⁽ⁱⁱⁱ⁾	2023	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-
	2021	55,000	Nil	27,660	Nil	Nil	Nil	Nil	82,660
Matthew Davis (CFO) ⁽ⁱⁱⁱ⁾	2023	103,680	Nil	Nil	Nil	Nil	Nil	Nil	103,680
	2022	103,680	Nil	12,495	20,000	Nil	Nil	Nil	136,175
	2021	12,640	Nil	Nil	Nil	Nil	Nil	Nil	12,640

(i) The Company has adopted fair value accounting for options granted under the Plan using the Black-Scholes fair value option pricing method, an established methodology. The key assumptions made in the valuation of the awards set out in the above table were as follows: (i) risk-free interest rate: 1.30% to 2.97%; (ii) expected option life: 5 years; (iii) dividend yield: 0%; and (iv) expected volatility: 107% to 117%.

(ii) Included in other compensation is a \$100,000 discretionary cash bonus payment made to Mr. Parks.

(iii) Michael Leskovec was appointed as interim CFO on May 1, 2018 and appointed as CFO on August 1, 2018. Effective November 29, 2021, Mr. Leskovec tendered his resignation as the CFO of the Company and was succeeded by Matthew Davis.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The table below represents outstanding option-based awards awarded to NEOs as of December 31, 2023.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (net of option exercise price) ⁽ⁱ⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
Andrew Parks	400,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	300,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	1,200,000	0.12	Dec. 19, 2027	Nil	Nil	Nil	Nil
Matthew Davis ⁽ⁱⁱ⁾	150,000	0.12	Dec. 19, 2027	Nil	Nil	Nil	Nil

(i) The closing price of the SVS on the Exchange on December 31, 2023 was \$0.065 per SVS.

(ii) Stock options issued to Mr. Davis are held in the name of Lancaster Capital Advisory Corp., a privately held corporation of which Mr. Davis is a director and significant shareholder.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth all incentive plan awards in which the value vested or was earned during the financial year ended December 31, 2023 for each NEO.

Name	Option-based awards - Value vested during the year	Share-based awards - Value vested during the year	Non-equity incentive plan compensation - Value earned during the year
	(\$)	(\$)	(\$)
Andrew Parks	51,045	Nil	Nil
Matthew Davis	5,900	Nil	Nil

Narrative Discussion

The Plan allows the Company to grant options to purchase up to such number of SVS which together with all the Company's then outstanding options will not exceed 10% of the issued and outstanding SVS of the Company from time to time. The Plan is administered by the Compensation Committee of the Board.

The Company has no pension plan benefits, defined contribution plans or deferred compensation plans. The Company has a group health plan, which provides coverage for all staff, and includes medical and dental benefits.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Andrew Parks

The Company has an employment agreement with Andrew Parks for CEO services which contains clauses typical of such agreements in respect of termination, including termination for cause. If Mr. Parks is terminated for cause, Mr. Parks is entitled to an amount equal to the base salary and vacation pay up until the date of his termination (the "**Termination Date**") and he shall have no entitlement to any further notice of termination, payment in lieu of notice of termination, severance, continuation of benefits or any damages whatsoever. In the event of termination for cause, participation in all bonus plans or other equity or profit participation plans terminates immediately. In the event of termination without cause, the Company will pay to Mr. Parks the greater of (i) eighteen months of base salary and benefits continuation and (ii) the minimum entitlements required by the Ontario *Employment Standards Act, 2000*, in addition to all other sums, which may be due to the employee. As a condition to any payments or benefits which exceed Mr. Parks' minimum entitlements under the Ontario *Employment Standards Act, 2000*, Mr. Parks is required to deliver a full and final release from all actions or claims, known and unknown, in connection with his employment with the Company or termination thereof in favour of the Company, its affiliates and all of its employees, officers and directors.

The agreement with Mr. Parks contains a standard confidentiality provision, as well as non-competition, non-interference and non-solicitation provisions. The non-competition provision prohibits Mr. Parks from engaging in any similar business to that of the Company in the province of Ontario at any time during his employment or at any time during which he is receiving severance payments. The non-interference provision provides that, during Mr. Parks' employment with the Company and for a period of twelve months thereafter, he shall not interfere with any contractual relationship between the Company and any party that was a licensor, buyer, customer, partner or vendor of the Company or that the Company was actively soliciting during the twelve month period preceding the Termination Date. The non-solicitation provision provides that Mr. Parks will not, at any time during his employment with the Company and for the twelve month period following the Termination Date:

- employ or endeavour to employ any person who is employed by or acting as a consultant to the Company as at the Termination Date or within the twelve month period preceding such date; or
- canvass, solicit or approach any person or entity: (i) who is a customer or business relation of the Company as at the Termination Date or within the twelve month period preceding such date and (ii) with whom Mr. Parks worked or received confidential information about during the course of his employment with the Company; or
- induce or attempt to induce any customer or business relationship of the Company to cease doing business with the Company; or
- disparage the Company or its affiliates or employees.

The table below represents outstanding option-based awards to directors as of December 31, 2023.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (net of option exercise price) ⁽ⁱ⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
Roger Daher	125,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	125,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	150,000	0.12	December 19, 2027	Nil	Nil	Nil	Nil
Paul Kelly	115,000	0.40	June 5, 2024	Nil	Nil	Nil	Nil
	150,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	150,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	200,000	0.12	December 19, 2027	Nil	Nil	Nil	Nil
Morris Prychidny	115,000	0.40	June 5, 2024	Nil	Nil	Nil	Nil
	150,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	150,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	200,000	0.12	December 19, 2027	Nil	Nil	Nil	Nil
Michael Galloro	125,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	125,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	150,000	0.12	December 19, 2027	Nil	Nil	Nil	Nil

Notes:

(i) The closing price of the SVS on the Exchange on December 31, 2023 was \$0.065 per SVS.

The following table sets forth all incentive plan awards in which the value vested or was earned during the financial year ended December 31, 2023.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Roger Daher	7,501	Nil	Nil
Paul Kelly	9,788	Nil	Nil
Morris Prychidny	9,788	Nil	Nil
Michael Galloro	7,501	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as of December 31, 2023, the number of securities issuable upon exercise of outstanding options, the weighted exercise price of such outstanding options and the number of securities remaining available for future issuance under all equity plans previously approved by the Shareholders. The only equity compensation plan of the Company as at December 31, 2023 was the Plan, which was established in 2015 and was amended and restated on June 4, 2018.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (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 security holders	4,080,000	\$0.17	2,097,670
Equity compensation plans not approved by security holders	-	-	-
Total	4,080,000	\$0.17	2,097,670

The Plan provides that the Board may, at any time and from time to time, in its discretion, and in accordance with the Exchange requirements, grant to consultants, directors, employees, management company employees and members of management of the Company, non-transferable options to purchase SVS without par value in the capital of the Company, provided that the number of SVS reserved for issuance shall not exceed 10% of the issued and outstanding SVS of the Company. In connection with the foregoing, the number of SVS reserved for issuance to any one person shall not exceed 5% of the issued and outstanding SVS (on a non-diluted basis) and the number of SVS reserved for issuance to any eligible consultant will not exceed 2% of the issued and outstanding SVS (on a non-diluted basis) in any twelve month period (including the SVS that are subject to such option). In addition, the aggregate number of SVS reserved for issuance to insiders of the Company shall not exceed 10% of the issued and outstanding SVS (on a non-diluted basis) in any twelve month period (including the SVS that are subject to such option). The aggregate number of options granted to persons employed in investor relations activities shall not exceed 2% of the issued and outstanding SVS (on a non-diluted basis) in any twelve month period (including the SVS that are subject to such option). As at December 31, 2023, ten percent (10%) of the issued and outstanding SVS is 6,177,670 shares.

The Board at its discretion may determine when any option will become exercisable and may determine that the option be exercisable in installments. The Board may also establish any vesting schedule relative to any options granted under the Plan, provided that in no event shall options vest over a time period that is shorter than any time period prescribed by the Exchange. Options may be exercised for a period of up to five (5) years after such options are granted, provided that: (i) upon the death of an optionee, any vested option held by him at the date of death shall be exercisable if the option was issued 10 or more days prior to the date of death, for a period of one year after the date of death or until the expiry of such option, whichever is sooner; (ii) if an optionee is terminated for cause, no option held by such optionee may be exercised following the date of termination; (iii) if an optionee's employment or contract terminates for reasons other than cause or death, any vested option held by such optionee may be exercised within 90 days following the date of termination or until the expiry of such option, whichever is sooner; and (iv) if an optionee who is a consultant is terminated due to breach or expiry of contract (other than for reasons set forth above), no options held by such optionee may be exercised following such breach, expiry or termination.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No former, present or proposed director, officer or employee of the Company or any of its subsidiaries and none of their respective associates is or has been indebted to the Company at any time during the financial year ended December 31, 2023 and as at the date hereof. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out in this Circular, no informed person of the Company, any proposed director of the Company, or no associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year, or in any proposed transaction, which in either such case has materially affected or will materially affect the Company.

MANAGEMENT CONTRACTS

There are no management functions of the Company that are to any substantial degree performed other than by the directors and executive officers of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca. Shareholders may contact the Company at 3 Market Street, Unit 609, Toronto, Ontario, M5E 0A3, or call 647-344-4429, to request copies of the Company's financial statements and MD&A or access them at www.fountainassetcorp.com. Financial information with respect to the Company is provided in the Company's comparative annual financial statements and MD&A for the years ended December 31, 2023 and 2022.

APPROVAL BY DIRECTORS

This Circular and the mailing of same to Shareholders have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

Dated September 30, 2024

"Andrew Parks" (signed)

Andrew Parks
Chief Executive Officer and Director

