



URBAN INFRASTRUCTURE GROUP

URBAN INFRASTRUCTURE GROUP INC.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 27, 2025

April 17, 2025



URBAN INFRASTRUCTURE GROUP

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Urban Infrastructure Group Inc. (the “**Corporation**”) will be held at the offices of Miller Thomson, 40 King Street West, Suite 6600, Toronto, Ontario on Tuesday May 27th, 2025 at 11:00 a.m. (Toronto time), for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended September 30, 2024, together with the report of the auditors thereon.
2. to set the number of directors at five (5) for the ensuing year;
3. to elect directors of the Corporation for the ensuing year;
4. to appoint Buckley Dodds CPA, Chartered Professional Accountants, as the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration.
5. to consider and, if deemed appropriate, to pass, with or without variation, a special resolution, substantially in the form of the resolution set out in the management information circular (“**Circular**”), approving an amendment to the articles of the Corporation for a consolidation of all of the issued and outstanding common shares of the Corporation (the “**Common Shares**”) on the basis of a consolidation ratio selected by the board of directors of the Corporation, in its sole direction, of up to ten (10) pre-consolidation Common Shares for one (1) post-consolidation Common Share, as more particularly described in this management information circular;
6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution substantially in the form of the resolution set out in the management information circular (“**Circular**”) approving the Corporation’s equity incentive plan, for the ensuing year;
7. to consider and, if deemed appropriate, approve by ordinary resolution, the ratification and approval of an advance notice policy adopted by the board of directors, as more particularly described in this management information circular; and
8. to consider and, if deemed appropriate, approve, with or without variation, an ordinary resolution of disinterested shareholders approving the repricing of up to 5,534,667 outstanding stock options granted to certain directors and officers of the Corporation, as more particularly described in this management information circular.

An “ordinary resolution” is a resolution passed by at least a majority of the Shareholders voting in person and by proxy and a “special resolution” is a resolution passed by at least two thirds ($\frac{2}{3}$) of the Shareholders voting in person and by proxy.

The record date (the “**Record Date**”) for determining Shareholders entitled to receive notice of and to vote at the Meeting is April 11, 2025. Only Shareholders whose names have been entered in the register of Common Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided however that, to the extent a Shareholder transfers the ownership of any of such Shareholder’s Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting. Each Common Share

entitled to be voted at the Meeting will entitle the holder to one vote on any matter at the Meeting.

A registered Shareholder may attend the Meeting in person or may be represented by proxy. Registered shareholders (the “**Registered Shareholders**”) who are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the proxy must be received by the Corporation’s registrar and transfer agent, TSX Trust Company (“**TSX Trust**”) before the proxy cut-off date of 11:00 a.m. Toronto time on Friday, May 23, 2025 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time the adjourned or postponed Meeting reconvenes. Registered Shareholders may also transmit voting instructions by:

- (i) completing, dating and signing the enclosed proxy (the “**Proxy**”) and returning it to the Corporation’s transfer agent, TSX Trust by fax within North America at (416) 595-9593; or
- (ii) by emailing to tsxtrustproxyvoting@tmx.com; or
- (iii) by mail or hand delivery to TSX Trust at Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Canada; or
- (iv) using the internet through <http://www.voteproxyonline.com/>. Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed Proxy for the Registered Shareholder’s account number and the proxy control number.

The proxyholder has discretion and authority under the accompanying form of proxy to consider amendments or variations of the matters of business identified in this notice of meeting, as well as any other matters properly brought before the Meeting, or any adjournment or postponement thereof. Shareholders are encouraged to review the Circular carefully before submitting the form of proxy.

Beneficial (non-registered) Shareholders who do not hold Common Shares in their own name but rather through a broker, financial institution, trustee, nominee or other intermediary must complete and return the voting instruction form (the “**Voting Instruction Form**”) provided to them or follow the telephone or internet-based voting procedures described therein in advance of the deadline set forth in the Voting Instruction Form in order to have such common shares voted at the Meeting on their behalf.

DATED this 17th day of April, 2025

**BY ORDER OF THE BOARD OF DIRECTORS OF
URBAN INFRASTRUCTURE GROUP INC.**

(signed) “Gary Alves”
Gary Alves
Chief Operating Officer



URBAN INFRASTRUCTURE GROUP

MANAGEMENT INFORMATION CIRCULAR

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by the management of Urban Infrastructure Group Inc. (the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of the Corporation to be held at the offices of Miller Thomson, 40 King Street West, Suite 6600, Toronto, Ontario at 11:00 a.m. (Toronto time) on Tuesday May 27, 2025 for the purposes set forth in the notice of annual and special meeting of Shareholders dated April 17, 2025 (the “**Notice of Meeting**”). References in the Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of the solicitation of proxies will be borne by the Corporation.

Except where otherwise indicated, the information contained in this Circular is as of April 17, 2025.

SHAREHOLDERS WHO WISH TO ENSURE THAT THEIR SHARES WILL BE VOTED SHOULD COMPLETE, DATE AND EXECUTE THE ENCLOSED FORM OF PROXY, OR ANOTHER SUITABLE FORM OF PROXY, AND DELIVER IT BY MAIL OR BY FAX IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT IN THE FORM OF PROXY AND IN THE NOTICE ACCORPORATIONING THIS CIRCULAR. FOR GREATER CLARITY, PROXIES NEED TO BE RECEIVED BY TSX TRUST BEFORE THE PROXY CUTOFF DATE OF 11:00 A.M. (TORONTO TIME) ON FRIDAY MAY 23, 2025.

Appointment of Proxy Holders

The persons named in the enclosed instruments of proxy are directors and/or officers of the Corporation. If you are a Registered Shareholder, you have the right to attend the meeting or vote by proxy (the “**Proxy**”) and to appoint a person or Corporation other than the person 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. Registered shareholders (“**Registered Shareholders**”) electing to submit a Proxy may do so by:

- (i) completing, dating and signing the enclosed proxy (the “**Proxy**”) and returning it to the Corporation’s transfer agent, TSX Trust by fax within North America at (416) 595-9593; or
- (ii) by emailing to tsxtrustproxyvoting@tmx.com; or
- (iii) by mail or hand delivery to TSX Trust at Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1; or
- (iv) using the internet through www.voteproxyonline.com. Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed Proxy for the Registered Shareholder’s account number and the proxy control number.

In all cases you should ensure the Proxy is received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The votes attached to the common shares of the Corporation (“**Common Shares**”) represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder’s attorney duly authorized in writing or, if

the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time insofar as it has not been exercised. A proxy may be revoked, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by instrument in writing executed by the shareholder or by his or her attorney authorized in writing or if the shareholder is a body corporate by an officer or attorney thereof duly authorized, and deposited with the Company c/o TSX Trust Company, 100 Adelaide Street West, Suite 301 Toronto Ontario, Canada M5H 4H1 at any time up to and including the close of business on Monday May 26, 2025 or thereafter with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof and upon either of such deposits the proxy is revoked. A proxy may also be revoked in any other manner permitted by law.

Voting of Proxies

The voting rights attached to the Common Shares represented by proxies will be voted in accordance with the instructions indicated therein. **If no instructions are given, the voting rights attached to said Common Shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOUR of all the matters described therein.**

The enclosed form of proxy confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no such amendments or other matters to come before the Meeting.

Voting by Non-Registered Shareholders

In many cases, Common Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the common shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a depository (such as The Canadian Depository for Securities Limited or “**CDS**”). Non-Registered Holders do not appear on the list of shareholders of the Corporation maintained by the transfer agent.

In accordance with Canadian securities law, the Corporation has distributed copies of the Notice of Meeting, Circular and the form of proxy (collectively, the “**meeting materials**”) to CDS and intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, intermediaries will use a service company to forward the meeting materials to Non-Registered Holders. Non-Registered Holders, other than NOBOs, will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the common shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

- A. *Voting Instruction Form* - In most cases, a Non-Registered Holder will receive, as part of the meeting materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the voting instruction form must be completed, signed, and returned in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Holder’s behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder.

or

- B. *Form of Proxy* - Less frequently, a Non-Registered Holder will receive, as part of the meeting materials, a form of proxy that has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the Non-Registered Holder must complete the form of proxy and deposit it with the Corporation's registrar and transfer agent, TSX Trust at Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have

another person attend and vote on the holder's behalf), the Non-Registered Holder must strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided.

Non-Objecting Beneficial Owners

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

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

Except as described elsewhere in this Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year, (b) any proposed nominee for election as a director of the Corporation, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Rights

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value. As at the date hereof, there are 104,512,916 shares issued and outstanding. Each share entitles the holder thereof to one vote on all matters properly coming before the Meeting or any adjournment or postponement thereof.

Record Date

The record date for the determination of Shareholders entitled to receive notice of the Meeting and vote at the Meeting has been fixed at April 11, 2025 (the "**Record Date**").

The Corporation will prepare or cause to be prepared a list of the shareholders recorded as holders of shares on its register of shareholders as of the close of business on the Record Date, each of whom shall be entitled to vote the shares shown opposite their name on the list at the Meeting or any adjournment or postponement thereof.

In addition, persons who are Non-Registered shareholders as of the Record Date will be entitled to exercise their voting rights in accordance with the procedures established under NI 54-101. See "*Proxy Related Information — Advice to Non-Registered shareholders.*"

Principal Holders of shares

To the knowledge of the directors and executive officers of the Corporation, no person or Corporation beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding shares as at the date of this Information Circular, other than as set forth in the table below:

Name of Shareholder	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
1000679050 Ontario Inc. ⁽¹⁾	78,850,000 (75.45%)

1. 1000679050 Ontario Inc. is a private company incorporated pursuant to the laws of Ontario. Mr. Gary Alves is the sole director and officer of the company and the registered shareholder of 50% of the issued and outstanding securities in the capital of the Corporation. Mr. Alves' spouse is the registered shareholder of the remaining 50% of the issued and outstanding securities.

Quorum

Under the by-laws of the Corporation, a quorum of shareholders is present at a meeting if at least two (2) individuals are present in person, each of whom is entitled to vote at a meeting, and who hold or represent by proxy in the aggregate not less than 10% of the total number of shares entitled to be voted at the meeting. If any share entitled to be voted at a meeting of shareholders is held by two or more persons jointly, the persons or those of them who attend the meeting of shareholders constitute only one shareholder for the purpose of determining whether a quorum of shareholders is present.

BUSINESS OF THE MEETING

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

1. Presentation of Financial Statements

The audited consolidated financial statements of the Corporation for the fiscal year ended September 30, 2024, and the report of the auditors thereon along with the Management Discussion & Analysis for the fiscal year ended September 30, 2024, copies of which are attached hereto as Schedule “A”, will be submitted to the Meeting. Receipt at the Meeting of these financial statements and the auditor’s report thereon will not constitute approval or disapproval of any matter referred to therein. Shareholder approval is not required in relation to the financial statements.

2. Number of Directors

Management proposes that the number of directors on the Board be set at five (5) for the ensuing year.

Shareholders will be asked at the Meeting to approve an ordinary resolution to set the number of directors elected for the ensuing year at five (5), subject to such increases as may be permitted by the Articles of the Corporation and the provisions of the *Business Corporations Act* (Ontario) (“**OBCA**”).

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR setting the number of directors elected for the ensuing year at five (5), subject to such increases as may be permitted by the Articles of the Corporation and the provisions of the OBCA.

The directors of the Corporation recommend that Shareholders vote in favour of setting the number of directors elected for the ensuing year at five (5), subject to such increases as may be permitted by the Articles of the Corporation and the provisions of the OBCA. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

3. Election of Directors

The Board currently consists of seven (7) directors, all of whom were elected at the last special meeting of the Corporation which was held on January 16, 2024. The directors of the Corporation are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed.

Conditional upon Shareholders approving the resolution setting the number of directors to be elected at five (5), management intends to nominate the individuals listed below to serve as directors, each to hold office until the close of the next annual meeting of Shareholders or until his or her successor has been duly elected and/or appointed and qualified or until his or her earlier death, resignation or removal pursuant to the articles of incorporation of the Corporation (as amended) and by-laws of the Corporation (as amended), and applicable law.

Shareholders have the option to (i) vote for all the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all the directors. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted FOR the election of each of the proposed nominees set forth in the table below.**

Management has no reason to believe that any of the nominees will be unable to serve as a director. **However, if any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy will be voted in favour of the remaining nominees, and may be voted in favour of a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares represented thereby are to be withheld from voting in respect of the election of directors.**

The following table states the name of each person nominated by management for election as directors, such person’s principal

occupation or employment, period of service as a director of the Corporation, and the approximate number of voting securities of the Corporation that such person beneficially owns, or over which such person exercises direction or control:

Name, and Province and Country of Residence	Principal Occupation, Business or Employment ⁽¹⁾	Director Since	Common Shares Owned or Controlled ⁽¹⁾
Harold Wolkin Ontario, Canada	Retired. Former Managing Director of BMO Capital Markets, Former Executive Vice President and Head of Investment Banking of Dundee Capital Markets.	June 2021	1,521,668
Gary Alves Caledon, Ontario	President of Urban Utilities Contractors Inc.	January 2024	78,850,000 ⁽³⁾
Magaly Bianchini ⁽²⁾ Toronto, Ontario	Self-employed, independent real estate developer.	January 2024	-
Luca Filice Ancaster, Ontario	Mr. Filice is currently a partner and General Manager leading the custom home building operations of PCMnow.com Inc., a Canadian custom home builder, based Oakville, Ontario, specializing in planning, design and turnkey construction services. Mr. Filice has built some of the finest luxury homes in southeast Oakville and surrounding areas. Notably, he has been the builder of choice for the annual Princess Margaret Lottery Home and other projects, many of which are \$10 million per home projects. Mr. Filice obtained a BA in economics from the University of Western Ontario and Masters of Law (LLM) degree from the University of Toronto Faculty of Law and held significant roles at firms including Canada Pension Plan Investment Board (CPPIB) and Goldman Sachs.	November 2024	262,000
Norman Levine Toronto, Ontario	Norman Levine is currently a portfolio manager at Brook Wagman Private Wealth/Raymond James Investment Counsel. Mr. Levine, a Chartered Financial Analyst since 1980, has a BA from York University and an MBA from Syracuse University. He has been in the investment management business in various positions since 1976 at Crown Life, Canada Trust, Barclays McConnell. BMO Nesbitt Burns, and Portfolio Management Corp. His volunteer work includes UJA Federation of Greater Toronto and Ve'ahavta. He is also a director of Maple Downs Golf and Country Club.	Nominee	-

Notes:

- Information about principal occupation, business or employment and number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised is not within the direct knowledge of management and has been furnished by the respective nominees.
- Member of the Audit Committee.
- 1000679050 Ontario Inc. is a private company incorporated pursuant to the laws of Ontario. Mr. Gary Alves is the sole director and officer of the company and the registered shareholder of 50% of the issued and outstanding securities

in the capital of the company. Mr. Alves' spouse is the registered shareholder of the remaining 50% of the issued and outstanding securities.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer, of any Corporation (including the Corporation) that:

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

Except as disclosed below, no proposed director of the Corporation (or any personal holding corporation of any such individual):

- (a) is at the date hereof, or has been within the previous 10 years, a director or executive officer of any corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver manager or trustee appointed to hold its assets;
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets such individual; or
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

4. Appointment of Auditors

Management intends to nominate Buckley Dodds CPA, Chartered Professional Accountants, of Vancouver, British Columbia, for appointment as the auditors of Martina, to hold office for the ensuing year until the close of the next annual meeting of Shareholders or until Buckley Dodds is removed from office or resigns, at a remuneration to be fixed by the Board.

Buckley Dodds CPA, Chartered Professional Accountants has been the auditors of the Corporation since November 2024 on the resignation of RSM Canada LLP. Attached as Schedule "B" are the documents filed in connection with the change of auditors.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the appointment of Buckley Dodds CPA, Chartered Professional Accountants as auditor of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed, and the authorization of the directors of the Corporation to fix their remuneration.

The directors of the Corporation recommend that Shareholders vote in favour of the appointment of Buckley Dodds CPA, Chartered Professional Accountants and the authorization of the directors of the Corporation to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

5. Consolidation

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution (the “**Share Consolidation Resolution**”) authorizing the board of directors of the Corporation (the “**Board**”) to elect, in its discretion, to direct the Corporation to file articles of amendment (the “**Articles of Amendment**”) to amend the Corporation’s articles in order to effect a consolidation (or reverse split) of the Corporation’s issued and outstanding Common Shares into a lesser number of issued Common Shares (the “**Share Consolidation**”). The Share Consolidation Resolution will authorize the Board to:

- set the Share Consolidation ratio, at its sole direction, at a ratio of up to ten (10) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the “**Consolidation Ratio**”); and
- file the Articles of Amendment to give effect to the Share Consolidation at the Consolidation Ratio.

Background to and Reasons for the Share Consolidation

The Board believes that it is in the best interests of the Corporation to provide the Board with the flexibility to elect to reduce the number of outstanding Common Shares by way of the Share Consolidation. Some of the potential benefits of the Share Consolidation include:

- Increased Investor Interest. The current share structure of the Corporation may make it more difficult for the Corporation to attract additional equity financing that may be required or desirable to maintain the Corporation or to further develop its business. The Share Consolidation may have the effect of raising, on a proportionate basis, the price of the Common Shares, which could appeal to certain investors that find shares valued above certain prices to be more attractive from an investment perspective.
- Reduced Volatility. The higher anticipated price of the post-consolidation Common Shares may result in less volatility as a result of small changes in the share price of the Common Shares. For example, a nominal price movement will result in a less significant change (in percentage terms) in the market capitalization of the Corporation.

The Corporation believes that providing the Board with the authority to select within a range of Share Consolidation ratios provides the flexibility to implement the Share Consolidation in a manner intended to maximize the anticipated benefits of the Share Consolidation for the Corporation and the Shareholders.

If the requisite approvals are obtained and the Board elects to proceed with the Share Consolidation, the Share Consolidation will take place at a time to be determined by the Board, subject to the OBCA. No further action on the part of Shareholders would be required in order for the Board to implement the Share Consolidation. Shareholders will be notified and registered Shareholders will receive a letter of transmittal containing instructions for exchange of their share certificates in connection with the Share Consolidation. The special resolution also authorizes the Board to elect not to proceed with, and abandon, the Share Consolidation at any time if it determines, in its sole discretion, to do so.

Following a vote by the Board to implement the Share Consolidation, the Corporation will file Articles of Amendment with the director under the OBCA to amend the Corporation’s articles. The Share Consolidation will become effective on the date shown in the certificate of amendment issued by the director under the OBCA in connection with such Share Consolidation or such other date indicated in the Articles of Amendment.

Share Consolidation Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the Share Consolidation Resolution authorizing the Board to elect, in its discretion, to file the Articles of Amendment giving effect to the Share Consolidation. The Share Consolidation Resolution is a special resolution and, as such, requires approval by not less than two-thirds (66 ⅔%) of the votes cast by the Shareholders present virtually, or represented by proxy, at the Meeting. The full text of the Share Consolidation Resolution is as follows:

“**BE IT RESOLVED**, as a special resolution of the shareholders of the Corporation, that:

1. the articles of the Corporation be amended to change the number of issued and outstanding Common Shares of the Corporation by consolidating the issued and outstanding Common Shares on the basis of a ratio to be selected by the Board, in its sole direction, of up to ten (10) pre-consolidation Common Shares for one (1) post-consolidation Common Share, at a date in the future to be determined by the Board, in its sole discretion if and when the Board considers it to be in the best interests of the Corporation to implement such a Share Consolidation, all as more fully described in

the management information circular of the Corporation dated April 17, 2025, and subject to all necessary stock exchange approvals;

2. the amendment to the articles of the Corporation giving effect to the Share Consolidation will provide that no fractional Common Shares will be issued but the number of Common Shares to be received by a Shareholder shall be rounded down to the nearest whole Common Share in the event that such Shareholder would otherwise be entitled to receive a fractional Common Share;
3. any director or officer of the Corporation be, and each of them is, hereby authorized and directed for and in the name of and on behalf of the Corporation to execute and deliver or cause to be executed and delivered the articles of amendment of the Corporation to the director under the OBCA and to execute and deliver or cause to be executed and delivered all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this special resolution;
4. notwithstanding that this special resolution has been duly passed by the holders of the Common Shares, the Board may, in its sole discretion (including in the circumstances described in the Circular), revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the holders of the Common Shares; and
5. any one director or officer of the Corporation be, and each of them is, hereby authorized and directed for and in the name of and on behalf of the Corporation, to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the consolidation of the issued and outstanding Common Shares on the basis of a ratio to be selected by the Board, in its sole direction, of up to 10 pre-consolidation Common Shares for one (1) post-consolidation Common Share.

The directors of the Corporation recommend that Shareholders vote in favour of the consolidation of the issued and outstanding Common Shares on the basis of a ratio to be selected by the Board, in its sole direction, of up to 10 pre-consolidation Common Shares for one (1) post-consolidation Common Share. To be adopted, this resolution is required to be passed by the affirmative vote of not less than two-thirds (66 ⅔%) of the votes cast at the Meeting.

Effects of the Share Consolidation General

If the Share Consolidation is implemented, its principal effect will be to proportionately decrease the number of issued and outstanding Common Shares by a factor equal to the Consolidation Ratio. At the close of business on the Record Date, there were 104,512,916 Common Shares issued and outstanding. For illustrative purposes only, the following table sets forth, based on the number of Common Shares issued and outstanding as of the Record Date, the number of Common Shares that would be issued and outstanding (disregarding any resulting fractional Common Shares and subject to any issuances occurring after the Record Date) following the implementation of the Share Consolidation, at various consolidation ratios:

<u>Share Consolidation Ratio</u>	<u>Shares Outstanding</u>
5 pre-consolidation Common Shares for 1 post-consolidation Common Shares	20,902,583
10 pre-consolidation Common Shares for 1 post-consolidation Common Shares	10,451,292

The Corporation does not expect the Share Consolidation itself to have any economic effect on holders of Common Shares or securities convertible into or exercisable to acquire Shares, except to the extent the Share Consolidation will result in fractional Common Shares. See “No Fractional Shares” below.

The Share Consolidation will not affect the listing of the Common Shares on the TSX Venture Exchange (“TSXV”). Following the Share Consolidation, it is expected that the Common Shares will continue to be listed on the TSXV under the symbol “UIG”. Following the Share Consolidation, the Common Shares will be assigned new CUSIP and ISIN numbers.

Voting rights and other rights of the holders of Common Shares prior to the implementation of the Share Consolidation will

not be affected by the Share Consolidation, other than as a result of the creation and disposition of fractional Common Shares as described below. For example, a holder of 2% of the voting power attached to the outstanding Common Shares immediately prior to the implementation of the Share Consolidation will generally continue to hold 2% of the voting power attached to the Common Shares immediately after the implementation of such Share Consolidation. The number of registered Shareholders is not expected to be affected by the Share Consolidation (except to the extent resulting from the elimination of post-consolidation fractional shares). For example, if the Consolidation Ratio is ten (10) pre-consolidation Common Shares per one (1) post-consolidation Common Share, a Shareholder that holds less than ten (10) pre-consolidation Common Shares may cease to hold any Common Shares following the Share Consolidation.

The exercise or conversion price and the number of Common Shares issuable under any outstanding convertible securities of the Corporation, including outstanding stock options and restricted share units, will be adjusted in accordance with their respective terms on the same basis as the Share Consolidation.

Effect on Beneficial Shareholders

Beneficial Shareholders (i.e. non-registered Shareholders) holding Common Shares through an intermediary (a securities broker, dealer, bank or financial institution) should be aware that the intermediary may have different procedures for processing the Share Consolidation than those that will be put in place by the Corporation for registered Shareholders. If Shareholders hold their Common Shares through an intermediary and they have questions in this regard, they are encouraged to contact their intermediaries.

Effect of the Share Consolidation on Convertible Securities

The exercise or conversion price and/or the number of Common Shares issuable under any of the Corporation's outstanding convertible securities, including under outstanding stock options, warrants, rights, restricted share units and any other similar securities will be proportionately adjusted upon the implementation of the Share Consolidation, in accordance with the terms of such securities, based on the Consolidation Ratio.

Effect on Share Certificates

If the Share Consolidation is approved by Shareholders and subsequently implemented, those registered Shareholders who will hold at least one post-consolidation Common Share will be required to exchange the share certificates representing pre-consolidation Shares for share certificates representing post consolidation Common Shares following the Share Consolidation or, alternatively, a Direct Registration System (“**DRS**”) Advice/Statement representing the number of post-consolidation Common Shares they hold following the Share Consolidation. The DRS is an electronic registration system which allows Shareholders to hold Common Shares in their name in book-based form, as evidenced by a DRS Advice/Statement, rather than a physical share certificate.

If the Share Consolidation is implemented, the Corporation (or its transfer agent) will mail to each registered Shareholder a letter of transmittal in connection with the Share Consolidation. Each registered Shareholder must complete and sign a letter of transmittal after the Share Consolidation takes effect. The letter of transmittal will contain instructions on how to surrender to the transfer agent the certificate(s) representing the registered Shareholder's pre-consolidation Common Shares. The transfer agent will send to each registered Shareholder who follows the instructions provided in the letter of transmittal a share certificate representing the number of post-consolidation Common Shares to which the registered Shareholder is entitled rounded down to the nearest whole number or, alternatively, a DRS Advice/Statement representing the number of post-consolidation Common Shares the registered Shareholder holds following the Share Consolidation. Beneficial Shareholders (i.e. non-registered Shareholders) who hold their Common Shares through intermediaries (securities brokers, dealers, banks, financial institutions, etc.) and who have questions regarding how the Share Consolidation will be processed should contact their intermediaries with respect to the Share Consolidation. See “Effect on Beneficial Shareholders” above.

Until surrendered to the transfer agent, each share certificate representing pre-consolidation Common Shares will be deemed for all purposes to represent the number of post-consolidation Common Shares to which the registered Shareholder is entitled as a result of the Share Consolidation. Until registered Shareholders have returned their properly completed and duly executed letter of transmittal and surrendered their share certificate(s) for exchange, registered Shareholders will not be entitled to receive any distributions, if any, that may be declared and payable to holders of record following the Share Consolidation.

Any registered Shareholder whose old certificate(s) have been lost, destroyed or stolen will be entitled to a replacement share certificate only after complying with the requirements that the Corporation and the transfer agent customarily apply in connection with lost, stolen or destroyed certificates.

The method chosen for delivery of share certificates and letters of transmittal to the Corporation's transfer agent is the responsibility of the registered Shareholder and neither the transfer agent nor the Corporation will have any liability in respect of share certificates and/or letters of transmittal which are not actually received by the transfer agent.

REGISTERED SHAREHOLDERS SHOULD NEITHER DESTROY NOR SUBMIT ANY SHARE CERTIFICATE UNTIL HAVING RECEIVED A LETTER OF TRANSMITTAL

No Fractional Shares

No fractional Common Shares will be issued in connection with the Share Consolidation and no cash will be paid in lieu of fractional post-consolidation Common Shares. In the event that a Shareholder would otherwise be entitled to receive a fractional Share upon the occurrence of the Share Consolidation, such fraction will be rounded down to the nearest whole number. In calculating such fractional interest, all post-consolidation Common Shares held by a beneficial holder(s) shall be aggregated.

No Dissent Rights

Shareholders are not entitled to exercise any statutory dissent rights with respect to the Share Consolidation.

Accounting Consequences

If the Share Consolidation is implemented, net income or loss per Common Share, and other per Common Share amounts, will be increased because there will be fewer Common Shares issued and outstanding. In future financial statements, net income or loss per Common Share and other per Common Share amounts for periods ending before the Share Consolidation took effect would be recast to give retroactive effect to such Share Consolidation.

TSXV Approval

Assuming Shareholder approval is received at the Meeting, and assuming that the Board determines to proceed with the Share Consolidation, the Share Consolidation will be subject to acceptance by the TSXV, and confirmation that, on a post-Share Consolidation basis, the Corporation would meet all of the TSXV's applicable continuous listing requirements. If the TSXV does not accept the Share Consolidation, the Corporation will not proceed with the Share Consolidation.

Risks Associated with the Share Consolidation

Reducing the number of issued and outstanding Common Shares through the Share Consolidation is intended, absent other factors, to increase the market price of the Common Shares. However, the market price of the Common Shares will also be affected by the Corporation's financial and operational results, its financial position, including its liquidity and capital resources, the development of its operations, industry conditions, the market's perception of the Corporation's business and other factors, which are unrelated to the number of Common Shares outstanding.

The market price of the Common Shares immediately following the implementation of the Share Consolidation is expected to be approximately equal to the market price of the Common Shares prior to the implementation of such Share Consolidation multiplied by the Consolidation Ratio but there is no assurance that the anticipated market price immediately following the implementation of the Share Consolidation will be realized or, if realized, will be sustained or will increase. There is a risk that the total market capitalization of the Common Shares (the market price of the Common Shares multiplied by the number of Common Shares outstanding) after the implementation of the Share Consolidation may be lower than the total market capitalization of the Common Shares prior to the implementation of the Share Consolidation.

Although the Corporation believes that establishing a higher market price for the Common Shares could increase investment interest for the Common Shares in equity capital markets by potentially broadening the pool of investors that may consider investing in the Corporation, including investors whose internal investment policies prohibit or discourage them from purchasing stocks trading below a certain minimum price, there is no assurance that implementing the Share Consolidation will achieve this result.

If the Share Consolidation is implemented and the market price of the Common Shares (adjusted to reflect the Consolidation Ratio) declines, the percentage decline as an absolute number and as a percentage of the Corporation's overall market capitalization may be greater than would have occurred if such Share Consolidation had not been implemented. Both the total market capitalization of a corporation and the adjusted market price of such Corporation's shares following the Share Consolidation may be lower than they were before the Share Consolidation took effect. The reduced number of Common Shares that would be outstanding after the Share Consolidation is implemented could adversely affect the liquidity of the Common Shares.

The Share Consolidation may result in some Shareholders owning “odd lots” of fewer than 100 Common Shares on a post-consolidation basis. Odd lot Common Shares may be more difficult to sell or may attract greater transaction costs per Common Share to sell, and brokerage commissions and other costs of transactions in odd lots may be higher than the costs of transactions in “round lots” of even multiples of 100 Common Shares.

Tax Considerations

SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE SHARE CONSOLIDATION TO THEM, INCLUDING THE EFFECTS OF ANY CANADIAN OR U.S. FEDERAL, PROVINCIAL, STATE, LOCAL, FOREIGN AND/OR OTHER TAX LAWS.

6. Approval of Equity Incentive Plan

The TSXV requires all listed companies whose equity incentive plan (the “**Equity Incentive Plan**”) includes a 10% rolling stock option plan to obtain shareholder approval of such plan on an annual basis. Shareholders will be asked at the Meeting to vote on a resolution to approve, for the ensuing year, the Plan as described below, which was previously approved on January 16, 2024.

The following information is intended as a brief description of the Equity Incentive Plan and is qualified in its entirety by the full text of the Equity Incentive Plan.

Purpose

The purpose of the Equity Incentive Plan is to promote the long-term success of the Corporation and the creation of Shareholder value by: (i) encouraging the attraction and retention of eligible persons; (ii) encouraging such eligible persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such eligible persons with the interests of the Corporation.

The Equity Incentive Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of stock options (“**Options**”) as well as restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**” and, collectively with the RSUs and PSUs, the “**Performance- Based Awards**”) to eligible persons.

Shares Subject to the New Equity Incentive

The Equity Incentive Plan provides for the award of equity incentives to eligible persons in the form of Options and Performance-Based Awards representing (together, the “**Equity Incentive Plan Awards**”), in the aggregate, up to such number of Common Shares of the Corporation, as is equal ten (10%) percent of the issued and outstanding as at the date of each award. The Equity Incentive Plan is considered an “evergreen” plan, since the Common Shares covered by the Equity Incentive Plan Awards which have been exercised, settled or terminated shall be available for subsequent grants under the Equity Incentive Plan and the number of Common Shares available for issuance pursuant to the Equity Incentive Plan increases as the number of issued and outstanding Common Shares increases.

Participation Limits

The Equity Incentive Plan provides that:

- (a) unless the Corporation has obtained disinterested shareholder approval, the maximum aggregate number of Common Shares issuable to insiders under the Equity Incentive Plan, within any twelve (12) month period and at any point in time under the Equity Incentive Plan, together with Common Shares reserved for issuance to insiders under all of the Corporation’s other Security-Based Compensation Arrangements (as defined in the Equity Incentive Plan), shall not exceed ten percent (10%) of the issued and outstanding Common Shares (calculated as at the date of any grant);
- (b) unless the Corporation has obtained disinterested shareholder approval, the maximum aggregate number of Common Shares issuable to any Participant (as defined in the Equity Incentive Plan) under the Equity Incentive Plan, within any twelve (12) month period, together with Common Shares reserved for issuance to such Participant (and to companies wholly-owned by that Participant) under all of the Corporation’s other Security-Based Compensation Arrangements, shall not exceed five percent (5%) of the issued and outstanding Common Shares (calculated as at the date of any grant);
- (c) the maximum aggregate number of Common Shares issuable to any one Consultant (as defined in the Equity Incentive

Plan) under the Equity Incentive Plan, within any twelve (12) month period, together with Common Shares issuable to such Consultant under all of the Corporation's other Security-Based Compensation Arrangements, shall not exceed two percent (2%) of the issued and outstanding Common Shares (calculated as at the date of any grant); and

- (d) the maximum aggregate number of Common Shares issuable pursuant to grants of Options to all investor relation service providers performing investor relations activities under the Equity Incentive Plan, within any twelve (12) month period, shall not in aggregate exceed two percent (2%) of the issued and outstanding Common Shares (calculated as at the date of any grant). For the avoidance of doubt, persons performing investor relations activities are only eligible to receive Options under the Equity Incentive Plan; they are not eligible to receive any Performance-Based Award or other type of securities-based compensation under the Equity Incentive Plan.

Administration of the Equity Incentive Plan

The Equity Incentive Plan is administered by the Board and the Board has full authority to administer the Equity Incentive Plan, including the authority to interpret and construe any provision of the Equity Incentive Plan and to adopt, amend and rescind such rules and regulations for administering the Equity Incentive Plan as the Board may deem necessary in order to comply with the requirements of the Equity Incentive Plan.

Eligible Persons under the Equity Incentive Plan

When used in connection with the grant of Options, all officers, directors, employees, management company employees and consultants of the Corporation are eligible to participate in the Equity Incentive Plan. When used in connection with the grant of Performance-Based Awards, all officers, directors, employees, management company employees and consultants of the Corporation that do not perform investor relations activities are eligible to participate in the Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Equity Incentive Plan will be determined in the sole and absolute discretion of the Board. Each person who receives a grant under the Equity Incentive Plan is referred to as a "Participant".

Types of Awards

Awards of Options, RSUs, PSUs and DSUs may be made under the Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan and will generally be evidenced by an award agreement.

Options

An Option entitles a holder thereof to purchase a prescribed number of Common Shares at an exercise price determined by the Board at the time of the grant of the Option, provided that the exercise price of an Option granted under the Equity Incentive Plan shall not be less than the Discounted Market Price (as defined in the Policies of the TSXV), provided that if an Option is proposed to be granted by the Corporation after the Corporation has just been recalled for trading following a suspension or halt, the Corporation must wait at least ten (10) trading days since the day on which trading in the Corporation's securities resumes before setting the exercise price for and granting the Option. Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed ten (10) years from the date of grant of the Option. The Board may, in its absolute discretion, upon granting Options under the Equity Incentive Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Common Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise Options during each respective time period. Subject to the discretion of the Board, the Options granted to a Participant under the Equity Incentive Plan shall vest as determined by the Board on the date of grant of such Options. If the Board does not specify a vesting schedule at the date of grant, then Options granted to persons, other than those conducting investor relations activities, shall vest fully on the date of grant, and in any event in accordance with the policies of the TSXV. Options issued to persons conducting investor relations activities must vest (and shall not otherwise be exercisable) in stages over a minimum of twelve (12) months with no more than $\frac{1}{4}$ of the Options vesting in any three (3) month period commencing no earlier than three (3) months after the date of grant.

If the award agreement for the grant of Options so provides, in the event of a change of control (as defined in the Equity Incentive Plan), all Options granted to a Participant shall become fully vested and shall become exercisable by the Participant in accordance with the terms of such award agreement and the Equity Incentive Plan. No acceleration of the vesting of any

Options shall be permitted without prior TSXV review and acceptance for Options issued to persons conducting investor relations activities.

Other than as may be set forth in the award agreement for the grant of Options, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Equity Incentive Plan.

Where a Participant's relationship with the Corporation is terminated by the Corporation or a subsidiary for cause, all Options granted to the Participant under the Equity Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Corporation terminates by reason of termination by the Corporation or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an eligible person, all Options granted to the Participant under the Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Equity Incentive Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an eligible person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed twelve (12) months after the termination date.

Where a Participant becomes afflicted by a disability, all Options granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such Options; provided, however, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Corporation due to disability, had vested pursuant to terms of the applicable award agreement, will accrue to the Participant in accordance with the Equity Incentive Plan and shall be exercisable by such Participant for a period of 90 days following the date the termination date, or such longer period as may be provided for in the award agreement or as may be determined by the Board.

Restricted Share Units

A RSU is a right awarded to a Participant who does not perform investor relations services, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Corporation upon specified vesting criteria being satisfied, and subject to the terms and conditions of the Equity Incentive Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares. The number of RSUs to be credited to each participant shall be determined by the Board in its sole discretion in accordance with the Equity Incentive Plan. All RSUs will vest and become payable by the issuance of Common Shares at the end of the restriction period if all applicable restrictions have lapsed, as such restrictions may be specified in the award agreement.

RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable award agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time a RSU is granted.

The Board shall determine any vesting terms applicable to the grant of RSUs, however, no RSUs may vest before the date that is one (1) year following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the Equity Incentive Plan), all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant in accordance with the Equity Incentive Plan.

Other than as may be set forth in the applicable award agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant's estate in accordance with the Equity Incentive Plan.

Where a Participant's relationship with the Corporation is terminated by the Corporation or a subsidiary for cause, all RSUs granted to the Participant under this plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Corporation terminates by reason of termination by the Corporation or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all RSUs granted to the Participant under the Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Equity Incentive Plan.

Where a Participant becomes afflicted by a disability, all RSUs granted to the Participant under the New Equity Incentive Plan will continue to vest in accordance with the terms of such RSUs; provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all RSUs granted to the Participant under the New Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination due to disability, had vested pursuant to terms of the applicable award agreement will accrue to the Participant in accordance with the Equity Incentive Plan.

As soon as practicable after each vesting date of a RSU, the Corporation shall, at the sole discretion of the Board, either: (a) issue to the Participant from treasury the number of Common Shares equal to the number of RSUs that have vested; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the New Equity Incentive Plan) on the next trading day after the vesting date of the RSUs, net of applicable withholdings.

Performance Share Units

A PSU is a right awarded to a Participant who does not perform investor relations services, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the Equity Incentive Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares.

Subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of PSUs to eligible persons that do not perform investor relations activities. The number of PSUs to be awarded to any Participant shall be determined by the Board, in its sole discretion, in accordance with the Equity Incentive Plan. Each PSU shall, contingent upon the attainment of the performance criteria within the performance cycle, represent one Common Share.

The Board will select, settle and determine the performance criteria (including without limitation the attainment thereof), for purposes of the vesting of the PSUs, in its sole discretion. An award agreement may provide the Board with the right to revise the performance criteria and the award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the performance criteria unfair unless a revision is made.

All PSUs will vest and become payable to the extent that the performance criteria set forth in the award agreement are satisfied in the performance cycle, the determination of which satisfaction shall be made by the Board on the determination date. No PSU may vest before the date that is one year following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the New Equity Incentive Plan), all PSUs granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any performance criteria) and shall become payable to the Participant in accordance with the Equity Incentive Plan.

Other than as may be set forth in the applicable award agreement and below, upon the death of a Participant, all PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant's relationship with the Corporation is terminated by the Corporation or a subsidiary for cause, all PSUs granted to the Participant under the Equity Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Corporation terminates by reason of termination by the Corporation or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all PSUs granted to the Participant which have not vested will, unless the award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant becomes afflicted by a disability, all PSUs granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such PSUs; provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all PSUs granted to the Participant under the Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Payment to Participants in respect of vested PSUs shall be made after the determination date for the applicable award and in any case within ninety-five (95) days after the last day of the performance cycle to which such award relates. The Corporation shall, at the sole discretion of the Board, either: (a) issue to the Participant the number of Common Shares equal to the number of PSUs that have vested on the Determination Date; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the New Equity Incentive Plan) on the next trading day after the determination date of the PSUs that have vested, net of applicable withholdings.

Deferred Share Units

A DSU is a right granted to a participant who does not perform investor relations services, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Corporation on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the Equity Incentive Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares.

Subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of DSUs to directors in lieu of fees (including annual Board retainers, chair fees, meeting attendance fees or any other fees payable to a director) or to other eligible persons as compensation for employment or consulting services. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the Equity Incentive Plan. The number of DSUs shall be specified in the applicable award agreement. Each director may elect to receive any or all of his or her fees in DSUs under this Plan.

The number of DSUs shall be calculated by dividing the amount of Fees selected by a director by the Market Unit Price (as defined in the Equity Incentive Plan) on the grant date (or such other price as required under the Policies of the TSXV) which shall be the 10th business day following each financial quarter end. Any fractional DSU shall be rounded down and no payment or other adjustment will be made with respect to the fractional DSU.

No Deferred Share Units may vest before the date that is one year following the date of the award of the DSU. Each participant shall be entitled to receive, after the effective date that the Participant ceases to be an eligible person for any reason, on a day designated by the Participant and communicated to the Corporation by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date after the participant ceases to be an eligible person as the participant and the Corporation may agree, which date shall be no later than the end of the calendar year following the year in which the participant ceases to be an eligible person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an eligible person, at the sole discretion of the Board, either: (a) that number of Common Shares equal to the number of vested DSUs credited to the participant's account, such Common Shares to be issued from treasury of the Corporation; or (b) a cash payment in an amount equal to the Market Unit Price on the next trading day after the Participant ceases to be an eligible person of the vested DSUs, net of applicable withholdings.

In the event that the value of a DSU would be determined with reference to a period commencing at a fiscal quarter-end of the Corporation and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the DSUs will be made to the Participant with reference to the five (5) trading days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).

Upon death of a Participant holding DSUs that have vested, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Common Shares that would have otherwise been payable in accordance with the Equity Incentive Plan to the Participant upon such Participant ceasing to be an eligible person.

General Provisions of the Equity Incentive Plan

Non-Transferability

No Option or Performance-Based Award and no right under any such Option or Performance-Based Award shall be assignable, alienable, saleable, or transferable by a participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the Policies of the TSXV. No Option or Performance-Based Award and no right under any such Option or Performance-Based Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Corporation.

Black-out Periods

In the event that the date provided for expiration, redemption or settlement of an award falls within a blackout period imposed by the Corporation pursuant to a trading policy as the result of the bona fide existence of undisclosed material information, the expiry date, redemption date or settlement date, as applicable, of the award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the blackout period. Notwithstanding the foregoing, there will be no extension of any award if the Corporation (or the Participant) is subject to a cease trade order (or similar order under applicable law).

Deductions

Whenever cash is to be paid in respect of DSUs, RSUs or PSUs, the Corporation shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Common Shares are to be delivered in respect of DSUs, RSUs or PSUs, the Corporation shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Common Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Corporation in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by, all in accordance with the Policies of the TSXV by (a) electing to have the Corporation withhold from delivery Common Shares having a value equal to the amount of tax required to be withheld; or (b) delivering (on a form prescribed by the Corporation) an irrevocable direction to a securities broker approved by the Corporation to sell all or a portion of the Common Shares and deliver to the Corporation from the sales proceeds an amount sufficient to pay the required withholding taxes.

Amendments to the New Equity Incentive Plan

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of Shareholders, amend, suspend, terminate or discontinue the Equity Incentive Plan and may amend the terms and conditions of any Options or Performance-Based Awards granted hereunder, subject to:

- (a) any required disinterested shareholder approval to reduce the exercise price of an Option or Performance-Based Award issued to an insider in accordance with the Policies of the TSXV while the Common Shares are listed on the TSXV;
- (b) any required approval of any applicable regulatory authority or the TSXV; and
- (c) any approval of Shareholders as required by the Policies of the TSXV or applicable law, provided that Shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - (i) amendments of a “housekeeping nature”;
 - (ii) amendments for the purpose of curing any ambiguity, error or omission in the Equity Incentive Plan or to correct or supplement any provision of the Equity Incentive Plan that is inconsistent with any other provision of the Equity Incentive Plan;
 - (iii) amendments which are necessary to comply with applicable law or the requirements of the TSXV;
 - (iv) amendments respecting administration and eligibility for participation under the Equity Incentive Plan;
 - (v) amendments to the terms and conditions on which Option or Performance-Based Awards may be or have been granted pursuant to Equity Incentive Plan including amendments to the vesting provisions and terms of any Options or Performance-Based Awards;
 - (vi) with the exception of Options granted to persons performing investor relations activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Options or Performance-Based Awards; and
 - (vii) changes to the termination provisions of an Option, Performance-Based Award or the Equity Incentive Plan which do not entail an extension beyond the original fixed term

Term

The Equity Incentive Plan shall terminate automatically ten (10) years after the Effective Date and may be terminated on any earlier date as provided in the Equity Incentive Plan. A copy of the Equity Incentive Plan is attached to this Circular as Schedule “C”.

The Equity Incentive Plan is also subject to the approval of the TSXV and if the TSXV finds the disclosure in this Circular to be inadequate, then the Shareholder approval may not be accepted by the TSXV.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve the Equity Incentive Plan Resolution approving the Equity Incentive Plan, substantially in the following form:

“BE IT RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:

1. the Corporation’s Equity Incentive Plan, which provides for the award of equity incentives to eligible persons in the form of stock options, restricted share units, performance share units and deferred share units representing, in the aggregate, up to such number of common shares of the Company as is equal to ten percent (10%) of the issued and outstanding common shares as at the date of each award, in the form attached as Schedule “C” to the management information circular of the Corporation dated April 17, 2025, be and is hereby confirmed, ratified and approved, and the Corporation is hereby authorized to grant awards under the Equity Incentive Plan;
2. the Board of the Corporation is hereby authorized to make such amendments to the Equity Incentive Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Equity Incentive Plan, the approval of the

Shareholders; and

3. any one director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of the Corporation, may be necessary or desirable to carry out the terms of the foregoing resolutions.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the approval of the Equity Incentive Plan.

The directors of the Corporation recommend that Shareholders vote in favour of the approval of the Equity Incentive Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

7. Ratification and Approval of Advance Notice Policy

Effective April 10, 2025, the Board adopted an advance notice policy (the “**Advance Notice Policy**”) with immediate effect, a copy of which is attached as Schedule “D” to this Circular. In order for the Advance Notice Policy to remain in effect following termination of the Meeting, the Advance Notice Policy must be ratified and approved at the Meeting.

Purpose of the Advance Notice Policy

The Board is committed to facilitating an orderly and efficient process for the nomination of directors at shareholder meetings, ensuring that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees to register an informed vote.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline prior to any shareholders’ meeting called for the election of directors by which a registered shareholder may submit director nominations to the Corporation and sets forth the information that the nominating shareholder must include in the notice to the Corporation in order for a nominee to be eligible for election.

Terms of the Advance Notice Policy

The following information is intended as a brief description of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy. Briefly, the Advance Notice Policy:

- provides that advance notice to the Corporation must be given where nominations of persons for election to the board of directors are made by shareholders of the Corporation;
- fixes a deadline by which a registered shareholder may submit director nominations to the Corporation prior to any annual or special general meeting and sets out the specific information that must be included in the written notice to the Corporation for an effective nomination to occur;
- provides that, in the case of an annual meeting, notice to the Corporation must be given not less than 30 days nor more than 65 days prior to the date of the meeting; provided that if the meeting is to be held on a date that is fewer than 50 days after the date on which the first public announcement of the date of the meeting was made, notice may be given no later than the close of business on the 10th day following such public announcement;
- provides that in the case of a special meeting that is not also an annual meeting, notice to the Corporation must be made no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made; and
- provides that the Board, in its sole discretion, may waive any requirement of the Advance Notice Policy.

Ratification and Approval of Advance Notice Policy by Shareholders

If the Advance Notice Policy is ratified and approved by the shareholders at the Meeting, it will be subject to an annual review by the Board. The Board will update the Advance Notice Policy to reflect any changes required by securities regulatory authorities and applicable stock exchanges or as otherwise determined to be in the best interests of the Corporation and its

shareholders.

Accordingly, at the Meeting, the shareholders will be asked to consider, and if thought appropriate, to pass, with or without amendment, an ordinary resolution as follows:

“BE IT RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:

- (a) the Corporation’s Advance Notice Policy, a copy of which is attached as Schedule “D” to the information circular of the Corporation dated April 17, 2025, be and is hereby ratified and approved;
- (b) the board of directors of the Corporation be and is authorized in its absolute discretion to administer the Advance Notice Policy and to amend or modify the Advance Notice Policy to the extent needed to reflect changes required by securities regulatory authorities and applicable stock exchanges, or as otherwise determined to be in the best interests of the Corporation and its shareholders; and
- (c) any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver all such documents, instruments and assurances as in the opinion of such director or officer may be necessary or desirable to give effect to the foregoing resolutions.” Under the Articles of the Corporation and the Act, the ordinary resolution to ratify and approve the Advance Notice Policy must be approved by at least a simple majority of 50% plus one vote of the votes cast by the shareholders present in person or by proxy at the Meeting.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the ratification and approval of the Advance Notice Policy.

The directors of the Corporation recommend that Shareholders vote in favour of the approval of the Advance Notice Policy. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

8. Repricing of Stock Options

Due to a significant drop in the trading price of the Common Shares on the TSXV, certain of the outstanding options no longer offer an adequate incentive to officers and employees of the Corporation as currently priced. Recognizing that option grants are a critical element of the Corporation’s compensation policy, the board of directors of the Corporation (the “**Board**”) is of the view that it is in the best interest of the Corporation to reprice certain of the outstanding options granted to certain directors, officers and employees of the Corporation, to ensure the exercise price of the options is more in line with the current market price of the Common Shares. Management believes that it is in the best interest of the Corporation to reprice these options at the current market price of the shares undermines the purpose of the Stock Option Plan, which is to attract, retain and motivate the directors, officers and employees of the Corporation.

On April 10, 2025 the Board resolved that, subject to approval of the TSXV and approval of the disinterested shareholders, up to 5,534,667 outstanding options held by certain Insiders (as such term is defined in the policies of the TSXV) of the Corporation be repriced from \$0.18 per Common Share to \$0.10 per Common Share

In addition, the Board also resolved that, subject to the approval of the TSXV, up to 5,534,667 outstanding options held by certain non-Insiders of the Corporation be repriced from \$0.18 per Common Share to \$0.10 per Common Share. The repricing of the Options held by such non-Insiders is not subject to disinterested Shareholder approval at the Meeting.

Shares beneficially owned by persons who have been issued options that will be repriced pursuant to this resolution, and their respective associates, may not vote on this resolution because such persons are not considered disinterested shareholders, and any votes cast by any of the foregoing persons will be disregarded for purposes of determining whether the resolution is approved by disinterested shareholders. The term “associates” as used in the foregoing context means, means: (a) any partner of the person; (b) any trust or estate in which the person has a substantial beneficial interest or in respect of which the person serves as trustee or in a similar capacity; and (c) in the case of a person who is an individual, (i) that person’s spouse or child, or (ii) any relative of that person or of his spouse who has the same residence as that person.

Pursuant to the policies of the TSXV and the Corporation’s Equity Incentive Plan, the repricing of the options requires disinterested Shareholder approval. Disinterested Shareholder approval is the approval by a majority of the votes cast on the ordinary resolution by all Shareholders at the Meeting, excluding the votes attached to Common Shares beneficially owned by persons holding options subject to such repricing and extension. Accordingly, at the Meeting, the Corporation's disinterested Shareholders will be asked to consider, and if thought fit, to pass with or without amendment, an ordinary resolution as follows:

“**BE IT RESOLVED**, as an ordinary resolution of the disinterested shareholders of the Corporation, that:

1. The repricing of stock options exercisable for an aggregate of up to 5,534,667 common shares of Urban Infrastructure Group Inc. (the “**Corporation**”), previously granted to such persons, as set out below including the price therefor, or such other price as may be acceptable to the TSX Venture Exchange, be and is hereby ratified, confirmed and approved:

Optionee	Date of Original Grant	Number of Options	Original Exercise Price	Amended Exercise Price
Ungad Chadda	May 30, 2024	3,000,000	\$0.18	\$0.10
Harold Wolkin	May 30, 2024	516,667	\$0.18	\$0.10
Magaly Bianchini	May 30, 2024	410,000	\$0.18	\$0.10
Nicholas Thadaney	May 30, 2024	410,000	\$0.18	\$0.10
Mark Di Cristofaro	May 30, 2024	410,000	\$0.18	\$0.10
John Ross	May 30, 2024	375,000	\$0.18	\$0.10
Krisztina Alves	May 30, 2024	353,000	\$0.18	\$0.10
Luca Filice	May 30, 2024	60,000	\$0.18	\$0.10

2. Any one director or officer of the Corporation is authorized and directed on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments, and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the repricing of options.

The directors of the Corporation recommend that the disinterested Shareholders vote in favour of the approval of the repricing of options. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the disinterested votes cast at the Meeting.

EXECUTIVE COMPENSATION

Named Executive Officers

“**Named Executive**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- (d) each individual who would be a named executive officer under paragraph (c) above, but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

The Named Executives who are the subject of this Statement of Executive Compensation are Chief Executive Officer, Ungad Chadda, Chief Operating Officer, Gary Alves and Chief Financial Officer, John Ross.

Compensation Discussion and Analysis

To date, the Board of Directors have not adopted any formal policies to determine executive compensation. Executive compensation is currently determined by the independent directors of the Board that has general oversight of compensation of employees and executive officers.

In carrying out its duties and responsibilities in relation to compensation and utilizing industry comparable salaries and bonuses, the Board sets annual performance objectives that are aligned to the overall objectives of the Corporation and assess the attainment of the corporate goals to determine the amount of performance bonus compensation paid. In determining the appropriate level of compensation, the Board may consider comparative data for the Corporation's peer group, which are accumulated from a number of external sources, including independent consultants. The Board will consider implementing formal compensation policies in the future should circumstances warrant.

Currently, the long-term compensation available to the NEOs consists of the stock options, restricted share units, performance share units and deferred share units (collectively, the "Options") granted under the Corporation's Equity Incentive Plan, which is administered by the Board and is designed to give each option holder an interest in preserving and maximizing Shareholder value in the longer term, to enable the Corporation to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance. The Board considers Option grants when reviewing each NEO's compensation package as a whole.

The allocation of Options is regarded as an important element to attract and retain NEOs for the long term and it aligns their interests with Shareholders.

Base Salary

The base salaries paid to the Corporation's Named Executives are based upon the Corporation's assessment of the salaries required to attract and retain the caliber of executives it needs to achieve its desired growth and performance targets.

Options

The Equity Incentive Plan is intended to assist in attracting, retaining and motivating directors, officers, employees and service providers of the Corporation to closely align the personal interests of such directors, officers, employees and service providers with those of the Shareholders by providing them with the opportunity, through stock options, restricted share units, performance share units and deferred share units.

The decision to grant Options is made by the board of directors and is done so in compliance with the Equity Incentive Plan. When the board of directors of the Corporation considers granting Options, the board will take into consideration (i) the relative contributions of the individuals who are eligible to receive Options; and (ii) the availability of Options for issuance, general market conditions, and the Corporation's recent share performance.

Risk Oversight

In carrying out its mandate, the Board reviews from time to time the risk implications of the Corporation's compensation policies and practices, including those applicable to the Corporation's executives. This review of the risk implications ensures that compensation plans, in their design, structures, and application have a clear link between pay and performance and do not encourage excessive risk taking. Key considerations regarding risk management include the following:

- design of the compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of that particular executive, substantially equivalent performance goals;
- balance of short-term performance incentives with equity-based awards that vest overtime;
- ensuring overall expense to the Corporation of the compensation program does not represent a disproportionate percentage of the Corporation's revenues, after considering the development stage of the Corporation; and
- utilizing compensation policies that do not rely solely on the accomplishment of specific tasks without consideration to longer term risks and objectives.

For reasons set forth above, the Board believes that the Corporation's current executive compensation policies and practices achieve an appropriate balance in relation to the Corporation's overall business strategy and do not encourage executives to expose the Corporation to inappropriate or excessive risks.

Non-Equity Incentives

Non-equity incentives are a variable element of the total compensation package and no non-equity incentive compensation (other than salary) was paid to Named Executives or directors of the Corporation during the fiscal year ended September 30, 2024.

Summary Compensation Table

The following table sets forth all compensation for services rendered in all capacities to the Corporation for the fiscal years ended September 30, 2024 and December 31, 2023 and 2022 in respect of the Named Executives of the Corporation. The Corporation had no other executive officers, or individuals acting in a similar capacity, whose total compensation during the fiscal year ended September 30, 2024, exceeded \$150,000.

Name and Principal Position	Year	Salary (\$)	Share based awards (\$)	Option based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans ⁽²⁾			
Ungad Chadda ⁽³⁾ Chief Executive Officer	2024	185,000	Nil	48,357	Nil	N/A	N/A	N/A	233,357
Gary Alves ⁽⁴⁾ Chief Executive Officer	2024	185,000	Nil	Nil	Nil	N/A	N/A	N/A	185,000
John Ross ⁽⁵⁾ Chief Financial Officer	2024	Nil	Nil	6,045	N/A	N/A	N/A	15,000 ⁽⁶⁾	21,045
Harold Wolkin ⁽⁷⁾ Former Chief Executive Officer and Chief Financial Officer	2024 2023 2022	Nil Nil Nil	Nil Nil Nil	8,328 Nil •Nil	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	8,328 Nil Nil

Notes:

- (1) Grant date fair value calculations are based on the Black-Scholes Option Pricing Model and weighted average assumptions. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Corporation's share and option-based awards.
- (2) "Long term incentive plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year but does not include option or share-based awards.
- (3) Mr. Chadda was appointed Chief Executive Officer on March 19, 2024.
- (4) Mr. Alves was appointed Chief Operating Officer on March 19, 2024.
- (5) Mr. Ross was appointed Chief Financial Officer on March 19, 2024
- (6) Includes \$15,000 paid to John C. Ross Consulting Inc. ("JRC") for the services of John Ross to act as Chief Financial Officer of the Corporation. John Ross is the President of JRC.
- (7) Mr. Wolkin was appointed Chief Executive Officer and Chief Financial Officer of June 11, 2021 and resigned on March 19, 2024.

Director and Named Executive Officer Stock Options and Other Compensation Securities

The following table sets forth all awards outstanding for the Named Executive Officers as of September 30, 2024:

Name	Option-Based Award				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Gary Alves	Nil	N/A	N/A	N/A	N/A	N/A
Ungad Chadda	3,000,000	\$0.18	May 30, 2029	Nil	N/A	N/A
John Ross	375,000	\$0.18	May 30, 2029	Nil	N/A	N/A
Harold Wolkin	154,054	\$0.05	June 25, 2031	7,703	N/A	N/A
	67,757	\$0.10	October 22, 2031	Nil	N/A	N/A
	516,667	\$0.18	May 30,2029	Nil	N/A	N/A

Notes:

- Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the TSXV during the year ended September 30, 2024, namely \$0.10 on September 30, 2024.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for the Named Executive Officers during the year ended September 30, 2024:

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Gary Alves	Nil	N/A	N/A
Ungad Chadda	Nil	N/A	N/A
John Ross	Nil	N/A	N/A
Harold Wolkin	Nil	N/A	N/A

Notes:

- Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the TSXV during the year ended September 30, 2024, namely \$0.10 on September 30, 2024.

Employment Contracts

Ross Consulting Agreement

The Corporation has entered into a consulting agreement (the “JRC Consulting Agreement”) with John Ross and JRC, a private company, to provide the services of Mr. Ross as Chief Financial Officer of the Corporation. The term of the JRC Consulting Agreement commenced on March 19, 2024, and shall continue until terminated by either Mr. Ross or the Corporation.

Pursuant to the JRC Consulting Agreement, Mr. Ross is entitled to receive monthly compensation of \$2,500 per month, and incentive stock option grants on a reasonable basis, consistent with the grant of options to other grantees. Mr. Ross is the President of JRC and is not an employee of the Corporation. Other than what is provided for in this Circular, Mr. Ross received no other compensation from the Corporation.

Incentive Plan Awards to NEOs

Outstanding Option-Based and Share-Based Awards

The table below reflects all option-based awards for each NEO outstanding as at September 30, 2024 (including option-based awards granted to a NEO before such fiscal year). The Corporation does not have any other equity incentive plans other than its Equity Incentive Plan.

Name of Named Executive Officer	Number of Securities Underlying Unexercised Options	Option Exercise Price (CDN\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options (CDN\$) ⁽²⁾
Gay Alves Chief Operating Officer	Nil	N/A	N/A	N/A
Ungad Chadda Chief Executive Officer	3,000,000 ⁽¹⁾	0.18	May 30, 2029	N/A
John Ross Chief Financial Officer	375,000 ⁽¹⁾	0.18	May 30, 2029	N/A

Notes:

1. These options were granted on May 29, 2024
2. This column contains the aggregate value of in-the-money unexercised options as at September 30, 2024, calculated based on the difference between the market price of the Common Shares underlying the options as at the close of day on September 30, 2024, being \$0.10, and the exercise price of the options.

Value Vested or Earned During the Year

The following table provides information regarding the value vested or earned on incentive plan awards for each NEO during the financial year ended September 30, 2024.

Name of Named Executive Officer	Option-based awards – Value vested during the year (\$)	Share-Based awards- value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Gary Alves	N/A	N/A	N/A
Ungad Chadda	Nil	N/A	N/A
John Ross	Nil	N/A	N/A

Pension Plan Benefits

As at the date of this Circular, the Corporation does not have a pension plan.

Termination and Change of Control Benefits

There are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Corporation in the event of the resignation, retirement or other termination of the NEO's employment with the Corporation, change of control of the Corporation or a change in the NEO's responsibilities following a change in control.

Director's Compensation

Individual Director Compensation

No compensation was provided to the directors of the Corporation during the fiscal year ended September 30, 2024. The Corporation did not pay any fees or compensation to directors for serving on the Board (or any subcommittee) beyond reimbursing such directors for travel and related expenses and the granting of stock options under the Equity Incentive Plan.

Director Outstanding Option-Based Awards

The table below reflects all option-based awards for each director outstanding as at September 30, 2024 (including option-based awards granted to a director before each such fiscal year). The Corporation does not have any equity incentive plan other than the Equity Incentive Plan.

Name of Director	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾
Magaly Bianchini	410,000	0.18	May 30, 2029	-
Nicholas Thadaney	410,000	0.18	May 30, 2029	-
Mark Di Cristofaro	410,000	0.18	May 30, 2029	-
Jennifer Labrecque	410,000	0.18	May 30, 2029	-

Note:

- (1) This column contains the aggregate value of in-the-money unexercised options as at September 30, 2024, calculated based on the difference between the market price of the Common Shares underlying the options as at the close of day on September 30, 2024, being \$0.10, and the exercise price of the options

Value Vested or Earned During the Year

The following table provides information regarding the value vested or earned on incentive plan awards for each director during the year ended September 30, 2024:

Name of Director	Option-Based Awards – Value Vested During Fiscal Year Ended September 30, 2024 (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation Value Vested During Fiscal Year Ended September 30, 2024 (\$) ⁽¹⁾
Magaly Bianchini	N/A	N/A
Nicholas Thadaney	N/A	N/A
Mark Di Cristofaro	N/A	N/A
Jennifer Labrecque	N/A	N/A

Notes:

1. This column contains the aggregate value of in-the-money unexercised options as at September 30, 2024, calculated based on the difference between the market price of the Common Shares underlying the options as at the close of day on September 30, 2024, being \$0.10, and the exercise price of the options.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth the Corporation’s equity compensation plans under which equity securities are authorized for issuance as at September 30, 2024, the end of the most recently completed financial year.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Incentive Plan	10,451,292	\$0.17	851,825

Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	10,451,292		851,825

Note:

- (1) The Corporation’s incentive stock option plan is a “rolling” stock option plan which reserves for issuance a maximum of 10% of the issued and outstanding shares at the time of the Option grant.

Summary of Equity Incentive Plan

The Shareholders of the Corporation approved the Corporation’s Equity Incentive Plan on January 16, 2024. The number of Common Shares reserved for issuance under the Equity Incentive Plan may not exceed 10% of the total number of Common Shares issued and outstanding from time to time. As of September 30, 2024, an aggregate of 104,512,916 Common Shares were issued and outstanding. As at September 30, 2024, there were 9,599,467 outstanding stock options under the Equity Incentive Plan and 851,825 stock options remained eligible for issuance under the Equity Incentive Plan.

For a complete description of the Equity Incentive Plan, please see “Business of the Meeting - Approval of Equity Incentive Plan.”

STATEMENT OF CORPORATE GOVERNANCE

The description of the Corporation’s current corporate governance practices is provided in accordance with Form 58-101F2 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”).

Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship that could be, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently composed of seven (7) directors, being Gary Alves, Ungad Chadda, Harold Wolkin, Magaly Bianchini, Nicholas Thadaney, Mark Di Cristofaro and Luca Filice. The Board has determined that each of Harold Wolkin, Magaly Bianchini, Nicholas Thadaney, Mark Di Cristofaro and Luca Filice are independent within the meaning of NI 58-101. Ungad Chadda and Gary Alves are not considered independent within the meaning of NI 58-101 because they are executive officers (as such term is defined in NI 58-101) of the Corporation and are thereby considered to have a material relationship with the Corporation.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings of the independent directors as deemed necessary, at which non-independent directors and members of management are not in attendance.

Other Public Corporation Directorships

<u>Name of Director</u>	<u>Name of Reporting Issuer</u>	<u>Name of Trading Market</u>
	Femto Technologies Inc.	NASDAQ
	Baylin Technologies Inc.	TSX
Harold Wolkin	Cipher Pharmaceuticals Inc.	TSX
	EnviroGold Global Ltd.	CSE
	Flora Growth Corp.	NASDAQ

	Ceres Global Ag Corp.	TSX
	Cytophage Technologies Inc.	TSXV
	Sol Strategies Inc.	CSE
Ungad Chadda	Integral Metals Corp.	CSE
	Global Uranium Corp.	CSE
	Agrinam Acquisition Corporation	TSX
	Goodbridge Capital Corp.	TSXV
Magaly Bianchini	Bigstack Opportunities 1 Inc.	TSXV
	Valucap Investments Inc.	N/A
Nicholas Thadaney	The INX Digital Company, Inc.	CBOE.C
	Agrinam Acquisition Corp.	TSX
Mark Di Cristofaro	SEL Exchange Inc.	TSXV
	Pacific Vector Holdings Inc.	TSXV

Orientation and Continuing Education of Board Members

While the Corporation does not currently have a formal orientation and education program for new members of the Board, the Corporation provides such orientation and education on an ad hoc and informal basis. The directors believe that these procedures are a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, the number, experience and expertise of its directors.

Ethical Business Conduct

The directors maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Corporation's reputation for honesty and integrity amongst its Shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict-of-interest provisions of the *Business Corporations Act* (Ontario).

Nomination of Directors

Both the directors and management are responsible for selecting nominees for election to the board of directors. At present, there is no formal process established to identify new candidates for nomination. The board of directors and management determine the requirements for skills and experience needed on the board of directors from time to time. The present Board and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, support for the Corporation's business objectives and a willingness to serve.

Compensation

The Board is directly responsible for determining compensation of directors and management. The Board does not currently have a compensation committee. The Board reviews the Corporation's compensation policies and remuneration of directors and management annually, including base salaries, bonuses, and stock option plans including the Option Plan and grants thereunder, and other forms of compensation. For more information on the Corporation's compensation practices, please see

the section of this Circular entitled “*Executive Compensation*”.

Other Board Committees

The Board has no standing committees other than the Audit Committee.

Assessments

The Board does not consider formal assessments useful given the stage of the Corporation’s business and operations. However, the directors believe that nomination to the Board is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the Board. A more formal assessment process will be instituted if and when the Board considers it to be advisable.

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Corporation, 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.

The audit committee of the Corporation’s board of directors (“**Audit Committee**”) is responsible for monitoring the Corporation’s systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Corporation’s external auditors. The committee is also responsible for reviewing the Corporation’s annual audited financial statements, unaudited quarterly financial statements and management’s discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full board of directors.

Audit Committee Charter

The full text of the charter of the Audit Committee is attached hereto as Schedule “E”.

Composition of the Audit Committee

The members of the Audit Committee are Magaly Bianchini (Chair), Nicholas Thadaney, Mark Di Cristofaro. All of the members of the Audit Committee are considered independent within the meaning of NI 52-110. Each member of the Audit Committee is considered to be financially literate within the meaning of NI 52-110, which includes 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 Corporation’s financial statements.

Relevant Education and Experience

The following table summarizes the relevant education and experience of the members of the Audit Committee:

Ms. Magaly Bianchini (Chair) – Ms. Bianchini is an experienced public company director, with extensive experience in real estate development, construction and renewable energy projects. She has been involved in the real estate development and construction industry since 1980, when, she became involved in her family’s concrete forming and crane rental company, The Leader Group, which was involved in several hundred million dollars’ worth of construction. Ms. Bianchini also served as President of Leader Capital Corp. (“Leader”), a publicly traded company, from 1998 until its privatization in 2009. Leader was focused on the development of land in Ontario and Quebec, and later in the development of a 200-megawatt wind farm near Kincardine, Ontario, which was sold to Enbridge Inc. in 2005, as well as other wind farms. She has been involved in the development and construction of several condominium projects in Toronto, as well as the development of approximately 250 residential lots in Ontario and British Columbia. Ms. Bianchini has been on the advisory board of a retirement home company for over 30 years. Through her various positions, Ms. Bianchini has a comprehensive understanding of the accounting principles used by such companies to prepare financial statements.

Nicholas Thadaney - Mr. Thadaney is a finance, technology and capital markets senior executive with over 25 years experience. He founded Partners Capital Corp. and previously served as Head of the Toronto Stock Exchange in the role of President & CEO, Global Equity Capital Markets, TMX Group and prior to that as CEO of ITG Canada Corp (now Virtu Financial). Before his tenure at ITG, Mr. Thadaney was Vice-President, Business Development (Equities) at C.T. Securities Inc. (Canada Trust),

which was later acquired by T.D. Securities Inc. (TD Bank) in 1999. Mr. Thadaney also currently serves as a senior advisor to a number of firms and a director on several boards. Mr. Thadaney has also been a board and committee member of a number of prominent businesses, industry associations, and registered charities, including: Bermuda Stock Exchange; CanDeal; Investment Industry Regulatory Organization of Canada (IIROC); Investment Industry Association of Canada; JA (Junior Achievement) Canada; Mount Sinai Hospital Asset Management Industry Hold'em for Life Charity (Co-Chair); Toronto Financial Services Alliance (now Toronto Finance International); Young Presidents Organization (Ontario Chapter); and the World Federation of Exchanges SME Advisory Board. Based on his experience, Mr. Thadaney has a comprehensive understanding of the accounting principles used by such companies to prepare financial statements.

Mark Di Cristofaro - Mr. Di Cristofaro is a corporate finance executive who assist companies in various situations such as mergers and acquisitions, financings and going public. As a former investment banker with nonbank owned firms, he was instrumental in numerous financings as well as merger and acquisition work and divestiture mandates. Mr. Di Cristofaro has been part of mandates with consumer goods companies, infrastructure, mining and real estate. Based on his experience, Mr. Di Cristofaro has a comprehensive understanding of the accounting principles used by such companies to prepare financial statements.

External Auditor Matters

Since the commencement of the Corporation's most recently completed financial year, the Corporation's directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation's directors and, where applicable, the Audit Committee, on a case-by-case basis.

The following table discloses the service fees billed to the Corporation by its external auditor during the last two completed financial years:

<u>Financial Year Ending</u>	<u>Audit Fees ⁽¹⁾</u>	<u>Audit Related Fees ⁽²⁾</u>	<u>Tax Fees ⁽³⁾</u>	<u>All Other Fees ⁽⁴⁾</u>
December 31, 2023	\$9,000	Nil	\$4,100	Nil
September 30, 2024	\$55,000	Nil	Nil	Nil

Notes:

1. The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.
2. The aggregate fees billed for professional services rendered by the auditor and consisted primarily of file quality review fees and fees for the review of quarterly financial statements and related documents.
3. Aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.
4. No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

Exemption

Since the Corporation is a "venture issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S., or a market outside of Canada and the U.S.), it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the year ended September 30, 2024, no director, executive officer, or associate of any director or executive officer of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the informed persons (as such term is defined in NI 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Corporation since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR+ at www.sedarplus.ca. Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year ended September 30, 2024, which are also available on SEDAR+. Inquiries, including requests for copies of the Corporation's financial statements and management's discussion and analysis for the year ended September 30, 2024, may be directed to the Corporation by telephone at 416.479.9547 or by emailing the Corporation at bill@urbaninfrastructuregroup.com.

APPROVAL

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

DATED this 17th day of April, 2024

**BY ORDER OF THE BOARD OF DIRECTORS OF
URBAN INFRASTRUCTURE GROUP INC.**

(signed) "Gary Alves"

Gary Alves

Chief Operating Officer

SCHEDULE "A"
FINANCIAL STATEMENTS

Urban Infrastructure Group Inc.
(formerly Deal Pro Capital Corporation)
Consolidated Financial Statements
(Expressed in Canadian Dollars)
Years Ended September 30, 2024 and 2023

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the consolidated financial statements of Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation) (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2024 and September 30, 2023, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2024, and September 30, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of contract assets

We draw attention to Note 2, Note 3 and Note 7 of the financial statements related to Contract Assets. The Company recorded Contract Assets for the year ended September 30, 2024, of \$69,461 and September 30, 2023 of \$185,826. The Company recognizes Contract Assets when it has a right to consideration for the exchange of goods or services which have not been billed at the reporting date.

We identified the valuation of Contract Assets as a key audit matter since this matter represented an area of higher assessed risk of material misstatement given the level of estimation required in management's estimate of the percentage of completion within each performance obligation applied to the contractual value of each component performance obligation. This in turn lead to a high degree of audit judgement, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the estimates made by management in their estimate of the carrying amount of Contract Assets.

The primary procedures we performed to address this key audit matter included, but was not restricted to, the following:

- Obtained an understanding of the key controls associated with the valuation of Contract Assets.
- Assessed the inputs and estimates used in the valuation of Contract Assets.
- Performed substantive testing over a sample of transactions by inspecting source documentation such as contracts and daily site reports to assess the total expected costs by performance obligation with respect to the contracts.
- Evaluated the Company's estimates used for the percentage of completion of total costs reduced by profit margin to arrive at the value of Contract Assets.

Information other than the Consolidated Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's Discussion and Analysis report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Junaid Hassam.

A handwritten signature in cursive script, appearing to read "Buckley Dodds".

Vancouver, British Columbia
January 28, 2025

Buckley Dodds CPA
Chartered Professional Accountants

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Consolidated Statement of Financial Position
(All amounts are in CAD, unless otherwise stated)

	Note	As at September 30, 2024 (Consolidated)	As at September 30, 2023
Assets			
Current assets			
Cash		\$ 671,980	\$ 951,197
Trade and other receivables	5	1,262,304	1,794,947
Holdback receivables	6	373,125	458,422
Prepaid expenses and other current assets		5,000	5,000
Contract assets	7	69,461	185,826
Total current assets		2,381,870	3,395,392
Non-current assets			
Property, plant and equipment	8	241,224	326,282
Deferred tax assets	13	227,000	-
Right-of-use assets	9	69,801	11,545
Total non-current assets		538,025	337,827
Total assets		\$ 2,919,895	\$ 3,733,219
Equity and Liabilities			
Liabilities			
Current Liabilities			
Trade and other payables	10	\$ 538,117	\$ 929,841
Borrowings	11	97,636	134,603
Lease liabilities	9	17,936	9,540
Other liabilities	12	59,735	105,929
Current tax liabilities		181,052	457,361
Total current liabilities		894,476	1,637,274
Non-current liabilities			
Borrowings	11	173,634	270,435
Lease liabilities	9	27,600	-
Deferred tax liabilities	13	-	199,000
Total non-current liabilities		201,234	469,435
		1,095,710	2,106,709
Equity			
Share capital	14	2,878,811	10
Reserve - Warrants	15	130,823	-
Reserve - Options	16	211,373	-
Accumulated earnings (deficit)		(1,396,822)	1,626,500
Total equity		1,824,185	1,626,510
Total equity and liabilities		\$ 2,919,895	\$ 3,733,219

DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS (Note 1)

SUBSEQUENT EVENTS (Note 25)

APPROVED ON BEHALF OF
THE BOARD OF DIRECTORS

"Ungad Chada"
(signed)

Director

"Magaly Bianchini"
(signed)

Director

The accompanying notes form an integral part of these consolidated financial statements

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)

(All amounts are in CAD, unless otherwise stated)

	Note	Year ended September 30, 2024 (Consolidated)	Year ended September 30, 2023
Revenue	17	\$ 5,381,874	\$ 12,276,877
Cost of services	18	(4,344,689)	(8,646,496)
Gross margin		1,037,185	3,630,381
Consulting fees		34,075	-
Depreciation	8,9	112,941	97,387
Equipment and other		180,822	223,683
General and administrative	19	214,547	176,314
Insurance		111,249	70,458
Investor Relations		47,400	-
Licenses, due and subscription		375	9,080
Marketing and promotion		36,467	31,771
Professional fees		445,320	224,259
Remuneration and benefits	20	674,205	642,451
Repairs and maintenance		1,650	1,573
Share-based payments		140,420	-
		1,999,471	1,476,976
Operating profit (loss)		(962,286)	2,153,405
Other Income (Loss)			
Finance expenses		(41,060)	(43,442)
Listing expenses	4	(1,958,062)	-
Other income		6,762	5,894
Profit (loss) before tax		(2,954,646)	2,115,857
Income tax (expense) / benefit			
Current tax		5,324	(456,970)
Deferred tax		426,000	(11,000)
Net profit (loss) and comprehensive income(loss)		\$ (2,523,322)	\$ 1,647,887
Earnings (loss) per share			
Basic		\$ (0.05)	\$ 8,239
Diluted		\$ (0.05)	\$ 8,239
Weighted average number of common share outstanding			
Basic		55,968,758	200
Diluted		55,968,758	200

The accompanying notes form an integral part of these financial statements

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)

Consolidated Statement of Changes in Equity

(All amounts are in CAD, unless otherwise stated)

	Share capital	Reserve Warrants	Reserve Options	Accumulated earnings / (deficit)	Total Equity (Deficiency)
As at October 1, 2022	\$ 10	\$ -	\$ -	\$ 28,613	\$ 28,623
Profit for the year	-	-	-	1,647,887	1,647,887
Dividends paid	-	-	-	(50,000)	(50,000)
As at September 30, 2023	\$ 10	\$ -	\$ -	\$ 1,626,500	\$ 1,626,510
As at October 1, 2023	\$ 10	\$ -	\$ -	\$ 1,626,500	\$ 1,626,510
Shares issued - financing (Note 14(i))	1,342,200	-	-	-	1,342,200
Cost of issuance (Note 14(i))	(50,340)	-	-	-	(50,340)
Warrants issued from financing (Note 14(i))	(118,909)	118,909	-	-	-
Share exchange - Reverse takeover (Note 4)	1,121,988	-	-	-	1,121,988
Shares issued - Finder shares (Note 4)	595,776	-	-	-	595,776
Warrants issued - Finder warrants (Note 4)	(11,914)	11,914	-	-	-
Options granted - Reverse takeover (Note 4)	-	-	70,953	-	70,953
Share-based payments	-	-	140,420	-	140,420
Loss for the period	-	-	-	(2,523,322)	(2,523,322)
Dividends paid	-	-	-	(500,000)	(500,000)
As at September 30, 2024	\$ 2,878,811	\$ 130,823	\$ 211,373	\$ (1,396,822)	\$ 1,824,185

The accompanying notes form an integral part of these financial statements

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)

Consolidated Statement of Cash Flows

(All amounts are in CAD, unless otherwise stated)

	Year ended September 30, 2024 (Consolidated)	Year ended September 30, 2023
Profit (loss) for the period	\$ (2,523,322)	\$ 1,647,887
<i>Adjustments for:</i>		
Depreciation and amortization	112,941	97,387
Share-based payments	140,420	-
Non-cash Listing costs	1,788,718	-
Tax expense (recovery)	(426,000)	462,128
Bad debts	10,579	7,019
Net finance (income) / expense	3,757	1,031
Loss (gain) on disposition of assets	(9,457)	(6,265)
CEBA loan	(10,000)	-
Cash flow - operating activities before working capital changes	(912,364)	2,209,187
Changes in:		
Trade and other receivables	522,064	(619,396)
Holdback receivables	85,297	(146,705)
Prepaid expenses and other current assets	-	(5,000)
Contract assets	116,365	126,295
Trade and other payables	(391,725)	(96,046)
Due to related party	-	(121,451)
Other liabilities	(46,194)	(80,659)
Tax liabilities	(276,309)	-
	9,498	(942,962)
Net cash from (used in) operating activities	(902,866)	1,266,225
Cash flows - investing activities		
Net acquisition of property, plant, and equipment	-	(254,171)
Down payment on acquisition of right of use assets	(20,831)	-
Net cash from (used in) investing activities	(20,831)	(254,171)
Cash flows - financing activities		
Payment of lease liabilities	(21,866)	(15,062)
Issuance of shares, net of share issue costs	1,291,860	-
Proceeds from borrowings	-	136,207
Repayment of borrowings	(125,513)	(95,618)
Dividends paid	(500,000)	(50,000)
Net cash from (used in) financing activities	644,481	(24,752)
Net increase (decrease) in cash and cash equivalents	(279,217)	987,302
Cash and cash equivalents - beginning of period	951,197	(36,105)
Cash and cash equivalents - end of period	\$ 671,980	\$ 951,197

SUPPLEMENTAL CASH FLOW INFORMATION (Note 24)

The accompanying notes form an integral part of these financial statements

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)

Notes to Consolidated Financial Statements

Years Ended September 30, 2024 and 2023

(All amounts are in CAD, unless otherwise stated)

1 Description of Business and Nature of Operations

The accompanying consolidated Urban Infrastructure Group Inc. ("Urban", the "Company" or "UIG" and formerly Deal Pro Capital Corporation) was incorporated under the Business Corporations Act (Ontario) on June 11, 2021 ("Date of Incorporation"). The Company was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). On March 18, 2024, the Company completed a reverse takeover transaction with Urban Utilities Contractors Inc. which became a wholly owned subsidiary of the Company (Note 4). Urban Utilities Contractors Inc. was incorporated on September 30, 2015 and its registered office is 106 East Drive, 2nd floor, Brampton, Ontario, L6T 1C1.

2 Basic of Preparation

a) Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements were approved by the Company's Board of Directors on January 28, 2025.

These consolidated financial statements incorporate the financial statements of the Company and its controlled, wholly-owned subsidiary. Intercompany balances, transactions, income and expenses are eliminated on consolidation.

b) Basis of Consolidation

The Company's consolidated financial statements include the accounts of the Company and its Subsidiary, Urban Utilities Contractors Inc.. Subsidiaries are entities controlled by the Company, where control is achieved by the Company having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained and are deconsolidated from the date that control ceases.

c) Basis of Measurement

These consolidated financial statements have been prepared on a going concern basis, maintains its accounts on accrual basis, except for cash flow information, and the concept of historical cost is followed except for the following:

1. Financial instruments at fair value through profit or loss are measured at fair value.
2. Financial assets at fair value through other comprehensive income are measured at fair value.
3. In relation to lease prepayments, the initial fair value of the security deposit is estimated as the present value of the refundable amount, discounted using the market interest rates for similar instruments. The difference between the initial fair value and the refundable amount of the deposit is recognized as a Right of Use Asset and present value of lease liability.

The valuation method used to measure financial instruments are further discussed in Note 21.

d) Functional and Presentation Currency

The functional currency and presentation currency of the Company is Canadian dollars. The Company does not have any transactions in currencies other than the functional currency.

e) Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

(i) Significant Estimates

Allowance for Credit Losses

The Company must make an assessment of whether trade receivables and holdback receivables are collectible from customers. Accordingly, management establishes an allowance for estimated credit losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

2 Basis of Preparation (continued)

Useful lives or property, plant and equipment

The Company estimates the useful lives of property, plant and equipment by analyzing the internal life of the asset which takes into account actual and expected future usage, physical wear and tear, replacement history and assumptions about the evolution of technology. Changes in these factors may cause the estimated useful lives of these assets to change. When factors indicate that the assets' useful lives are different from the prior assessment, the Company depreciates the remaining carrying value prospectively over the adjusted estimated useful lives. The Company reviews estimates of the useful lives of property, plant and equipment on an annual basis.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as profitability and operations. Extension option (or options after termination options) are only included in the lease term if the lease is reasonably certain to be included (or not terminated). The assessment of the lease term is reviewed if a significant event or significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used, if the interest rate implicit in the lease is not readily determinable, to measure its lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Valuation of Contract Assets

Contract assets consist of an estimate of the percentage of completion within each performance obligation applied to the contractual value of each component work stream reduced by the profit margin of each component to arrive at the value of the costs to date. On site evaluation as well as daily site reports containing details of raw material, labour, and other costs are used in the estimation process.

Current and deferred taxes

Estimations of current and deferred tax provisions and assets or obligations require assessments to be made based on the potential tax treatment of certain items that will only be resolved once finally agreed with the relevant tax authorities. Assumptions underlying the composition of deferred tax assets and liabilities include estimates of future financial performance and the timing of reversal of temporary differences as well as the tax rates and laws at the time of the expected reversal.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors, and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The expected volatility assumptions for the Company's option and warrant grants are based on comparable public companies.

Reverse Takeover

Judgement is required when assessing the value of the consideration transferred and the net identifiable assets acquired and liabilities assumed in connection with the reverse takeover (Note 4).

(ii) Significant Judgments

Current and Deferred Taxes

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position and what tax rate is expected to be applied in the year when the related temporary differences reverse, particularly in regard to the utilization of tax losses carry forward. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company considers the terms of the contracts, the nature of the transaction, estimated time required on the project, and the specific circumstances of each arrangement. The Company recognizes revenue as it fulfills its performance obligations by transferring control of the promised services to the customer. Judgment involves determining when revenue recognition criteria have been met including when all performance obligation have been fulfilled.

Pensions

The company has a pension plan for employees, and Liuna 183 Union manages the annual required contribution. Liuna is responsible for investing the funded contribution to generate returns that adequately cover employees' retirement benefits. The Company is solely responsible for the pension contributions to be made and has assessed the pension plan as a defined contribution pension plan.

3 Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

a) Business Combinations

The acquisition method of accounting is used to account for business combinations. The consideration transferred for the combination of a business comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the combined companies. The consideration transferred also includes the fair value of any contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

b) Financial Instruments

(i) Financial Assets

Financial assets comprise of trade and other receivables and holdback receivables.

Initial recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement:

Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the Statement of Income.

Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL):

Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income. All fair value changes are recognized in the Statement of Income.

Derecognition of financial assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred, and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Income.

Impairment of financial assets:

Trade receivables and other and holdback receivables are tested for impairment based on the expected credit losses for the respective financial asset. The carrying amount of these assets in the Statement of Financial Position is stated net of any allowance.

(ii) Financial Liabilities

Initial recognition:

Financial liabilities are initially recognized at fair value and any transaction cost that are attributable to the acquisition of the financial liabilities, except financial liabilities recognized at fair value through profit or loss which are initially measured at fair value.

3 Material Accounting Policy Information (continued)

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into the following categories:

- at amortized cost
- at fair value through profit or loss

Amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at FVTPL.

Derecognition of financial liabilities:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(i) Offsetting of Financial Assets and Financial Liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

(ii) Reclassification of Financial Assets and Financial Liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(iii) Fair value

Financial assets and financial liabilities are measured at fair value using a valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy of a particular asset or liability depends on the inputs used in the valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally derived (unobservable). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs are inputs that reflect the assumptions that market participants would use, and are based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category
Cash	FVTPL
Trade and other receivables	Amortized cost
Holdback receivables	Amortized cost
Trade and other payables	Amortized cost
Other liabilities	Amortized cost
Borrowings	Amortized cost
Lease liabilities	Amortized cost

c) Cash and cash equivalents and bank indebtedness

Cash and cash equivalents and bank indebtedness comprise of cash at banks and short-term money market instruments which are readily convertible into a known amount of cash.

3 Material Accounting Policy Information (continued)

d) Share-based compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

e) Fair value of warrants

The Company measures the fair value of warrants granted from financings using the residual value method. When warrants are granted, the fair value is recorded in the warrant reserve, with the corresponding entry to share capital. When warrants are exercised, their fair value is removed from the warrant reserve account and recorded as share capital.

f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchases taxes, after deducting trade discounts and rebates and includes expenditure directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Amounts paid as advances towards the acquisition of property, plant and equipment are disclosed separately under other non-current assets as 'capital advances' and the cost of assets not put to use as on the balance sheet date are disclosed under 'Capital work-in-progress'.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income / other expenses" in the Statement of income and comprehensive income.

(i) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in statement of income during the period in which it is incurred.

(ii) Depreciation

Depreciation is recognized in the Statement of income and comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment considering residual value to be zero. Depreciation on contract-specific assets is charged co-terminus over the contract period. Management's estimated useful lives of its assets are as follows:

Asset	
Computers	50% declining balance basis
Furniture and Fixtures	20% declining balance basis
Equipment	20% declining balance basis
Vehicles	30% declining balance basis

The depreciation method, useful lives and residual value are reviewed annually.

3 Material Accounting Policy Information (continued)

g) Leases

The Company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Statement of Financial Position and lease payments have been classified as financing cash flows.

h) Revenue Recognition

The Company enters into contracts with customers to provide concrete and drain work construction services. The Company accounts for a contract when enforceable rights and obligations between the Company and its customer are present, the contract has commercial substance, the rights of the parties and payment terms are identified, collectability of consideration is probable, and both parties have approved the contract.

The Company contracts with customers include promises or arrangements to transfer multiple services to a customer. The Company assesses whether such arrangements in the contract have distinct services (performance obligation). A performance obligation is a promise in the contract to transfer distinct services to the customer. The Company's contracts generally have multiple performance obligations, as the promise to transfer the services are separately identifiable from each other. An amendment made to an existing contract is accounted for in combination with the existing contract unless it adds services differing from services promised in the existing contract at stand alone selling prices.

The Company measures revenue, for the consideration to which the Company is expected to be entitled in exchange for transferring promised services. The Company identifies the various performance obligations of the contract and allocates the transaction price to these performance obligations. The Company recognizes revenue as it fulfills its performance obligations by transferring control of the promised services to the customer. Incurred inefficiency cost such as the unexpected cost of materials, labor hours expended or other resources consumed do not generate revenue as they do not contribute to the Company's progress in satisfying the performance obligations.

Contract costs include direct costs such as materials, labour, and subcontract costs as well as indirect overhead costs that relate directly to satisfying the performance obligations under the contract. Costs related to the revenues recognized are expensed as incurred.

i) Contract assets and contract liabilities

Contract assets represent the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned by something other than the passage of time and not billed at the reporting date. Contract assets are transferred to trade receivables when the rights to the amount become unconditional. This usually occurs when the Company issues an invoice to the customer.

Contract liabilities represent the Company's obligation to transfer goods or services to a customer for which the Company has received consideration in excess of revenue recognized under the contract.

3 Material Accounting Policy Information (continued)

j) Share capital

Common shares are classified as equity. Issuance costs directly attributable to the issue of the shares or share options are recognized as a deduction from equity, net of any tax effects.

k) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in income or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

l) Employee Benefits

(i) Short-term employee benefits

Employee benefits such as salaries, wages and union dues falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

(ii) Union dues:

The Company pays a portion of salary as union dues (Union of employees is formed to protect the rights and interests of employees). Obligations for contributions to union dues are recognized as an employee benefit expense in income or loss in the periods during which the related services are rendered by employees.

(iii) Defined contribution pension plan

The Company maintains pension plans for its employees whereby the Company pays contributions based on a percentage of the employees' monthly salaries. Obligations for contributions to pension plans are recognized as an employee benefit expense in the statement of income and comprehensive income as the services are provided. As the Company is not committed beyond these contributions, no additional provision related to these plans has been recorded. The Company participates in these mandatory general pension plans which are accounted for as defined contribution plans.

m) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its common shares. Basic EPS is calculated by dividing the income or loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Where common shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of a common share to the extent that they were entitled to participate in dividends during the period relative to a fully paid common share. Diluted EPS is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which includes share options granted to employees. To the extent that partly paid shares are not entitled to participate in dividends during the period they are treated as the equivalent of warrants or options in the calculation of diluted earnings per share.

3 Material Accounting Policy Information (continued)

n) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in income or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- a. the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss.
- b. differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.
- c. arising taxable temporary differences on the initial recognition of goodwill, as the same is not deductible for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxation arising on investments in subsidiaries and associates is recognized except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation on temporary differences arising out of undistributed earnings of the equity method accounted investee is recorded only when it is expected to be distributed in foreseeable future based on the management's intention.

o) Provisions, contingent liabilities and contingent assets

Provisions are recognized only when: (i) the Company has a present obligation (legal or constructive) as a result of a past event; and (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- b. a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each reporting date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognized and measured as a provision.

p) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a. estimated amount of contracts remaining to be executed on capital account and not provided for;
- b. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

3 Material Accounting Policy Information (continued)

q) Change in accounting policy

The Company adopted the following amendments to accounting standards, which are effective for annual reporting periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The amendment was applied effective October 1, 2023 and did not have a material impact on the Company's financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The amendment was applied effective October 1, 2023 and did not have a material impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is not yet able to determine the impact to the financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at September 30, 2024. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on the financial statements of the Company.

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)**Notes to Consolidated Financial Statements****Years Ended September 30, 2024 and 2023***(All amounts are in CAD, unless otherwise stated)***4 Reverse Takeover Transaction**

On March 18, 2024, Urban and Deal Pro Capital Corporation ("Deal Pro") completed their reversed takeover transaction (the "RTO"), pursuant to which Urban acquired all of the issued and outstanding common shares of Deal Pro in exchange for common shares of Urban. The transaction was completed by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario) with the common shares of Urban listed on the Toronto Stock Ventures Exchange (TSXV) following the amalgamation of Deal Pro and Urban.

On closing of the RTO and pursuant to the amalgamation agreement dated March 18, 2024, the following steps were taken to take effect to the RTO:

- (i) All issued and outstanding classes of common shares and stock options of Deal Pro were exchanged for post-consolidated common shares of Urban on a one-to-one basis. As a result of the exchange, the exercise price of the stock options remained unchanged and there was no incremental fair value identified in relation to the exchange. The exchange resulted in the issue of 8,207,001 common shares, 570,000 stock options with a \$0.05 exercise price, of which 154,054 expire June 25, 2031 and the remaining 415,946 expire March 18, 2025, and 250,700 stock options with a \$0.10 exercise price, of which 67,757 expire October 22, 2031 and the remaining 182,943 expire March 18, 2025.
- ii) An additional 4,357,920 post-consolidated common shares (the "Finder Shares") were issued to finders in connection with the RTO at no additional cost to the finders. Further, the Finders received 269,866 Finder Warrants, which can be exercised at a price of \$0.15, per common share, at any time until March 18, 2026, into one common share and one-half of a common share Purchase Warrant. Each full Purchase Warrant could be exercised for a common share in the Company at a price of \$0.25 for a period of two years until March 18, 2026.

Upon closing of the RTO, the shareholders of Urban held a total of 100,000,000 common shares (as 83,000,000 Class A common shares and 17,000,000 Class B common shares) of the Company, representing 82.3% of the common shares of the Company before taking effect to the subscription receipt financing. Accordingly, the acquisition of Deal Pro was considered a reverse acquisition of Deal Pro.

However, as the Corporation did not meet the definition of a business as defined by IFRS 3 Business Combinations ("IFRS 3"), it has been accounted for as a share-based payment transaction in accordance with IFRS 2. The accounting for this transaction resulted in the following:

- a) The consolidated financial statements of the combined entity are issued under the legal parent, the Corporation, but are considered a continuation of the consolidated financial statements of the legal subsidiary, Urban.
- b) As Urban is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.
- c) Since the shares allocated to the former shareholders of the Corporation on closing of the RTO are considered within the scope of IFRS 2, and the Corporation cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations of Deal Pro acquired on closing was expensed in the consolidated statements of loss and comprehensive loss as a listing expense.

The fair value of the 8,207,001 common shares issued and outstanding with shareholders of the Company and the 4,357,920 Finder Shares issued on closing of the RTO was determined by reference to the fair value of the common shares issued pursuant to the subscription receipt financing completed by the Company, determined to be \$0.137 on the date of close.

At the date of acquisition on March 18, 2024, the RTO was recorded as follows:

Purchase Price Consideration	March 18, 2024	
Fair value of common shares issued	\$	1,121,988
Finder Shares		595,776
Option grant		70,953
Total Consideration Issued		1,788,717
Net Identifiable Assets (Liabilities) Acquired		
Cash		35,360
Loan Receivable		65,000
Prepaid Expense		31,755
Accounts payable and accrued liabilities		(164,174)
Total net identifiable assets		(32,059)
Professional Fees		137,286
Listing expenses	\$	1,958,062

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

5 Trade and Other Receivables

Trade receivables as of September 30, 2024 and 2023 are stated net of allowance for doubtful receivables. Trade receivables consist of:

	September 30, 2024	September 30, 2023
Other trade receivables	\$ 1,271,083	\$ 1,794,947
Less: Allowance for doubtful receivables	(8,779)	-
	\$ 1,262,304	\$ 1,794,947

The Company maintains an allowance for doubtful receivables based on expected credit loss model. Trade receivables were subsequently realized and hence the credit loss allowance is \$8,779 for the year ended September 30, 2024 (2023 - \$Nil). During the year ended September 30, 2024, the Company recorded bad debt expense of \$10,579 (2023 - \$7,019) in the statement of income and comprehensive income.

As of September 30, 2024, the Company has recorded accounts receivable in the amount of \$1,262,304 of which \$1,197,705 (inclusive of H.S.T.) is classified as overdue. The overdue balance primarily relates to amounts invoiced to a specific customer (referred to as "Customer ABC"). The Company has been actively engaging with Customer ABC to resolve the outstanding balance; however, a dispute has arisen regarding the nature and validity of certain charges.

The dispute with Customer ABC has led to the commencement of litigation in Ontario Court, with the Company filing statements of claims against Customer ABC on July 27, 2023. The legal proceedings are underway, and management is diligently pursuing a resolution. As part of the litigation, the Company has successfully registered liens against developer Customer ABC and Customer ABC has fully paid all amounts owed to the Company into the Court. The ultimate outcome of the litigation is uncertain, and the Company is unable to reasonably estimate the potential financial impact on the accounts receivable balance at this time. The Company continues to recognize the full amount of the overdue accounts receivable on the statement of financial position, as it believes the collection of the outstanding balance is probable and can be reliably measured. Management is actively monitoring the situation, and any necessary adjustments will be made as more information becomes available.

As of the date of these financial statements, no provision for a contingent liability has been recognized in the financial statements. Further developments in the litigation and additional information obtained during the resolution process will be assessed, and any required adjustments will be recorded in the period in which they become reasonably estimable.

6 Holdback Receivables

The following table provides information about holdback receivables from contracts with customers:

	September 30, 2024	September 30, 2023
Retention funds from customers	\$ 373,125	\$ 458,422

Holdback receivables represent a 10% retention of funds on ongoing contract billings with customers. The Holdback receivables are released upon completion of the project, accompanied by a certification of completion to verify full discharge of obligations. As at September 30, 2024, \$241,550 (2023 - \$205,796) relates to Customer ABC as per Note 5 above.

7 Contract Assets

The following table provides information about contracts assets from the contracts with customers:

	September 30, 2024	September 30, 2023
Unbilled receivables	\$ 69,461	\$ 185,826

Contract assets represent any excess costs over progress billings. Upon the completion of delayed billings, contract assets will be replaced by accounts receivable in the Company's financial records. As at September 30, 2024, the Company recorded a credit loss allowance of \$Nil (2023 - \$Nil).

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

8 Property, Plant and Equipment

	Computers		Equipment		Vehicles		Furniture and Fixtures		Total	
Cost										
Balance as at September 30, 2022	\$	3,525	\$	113,439	\$	251,807	\$	12,512	\$	381,283
Balance as at October 1, 2022		3,525		113,439		251,807		12,512		381,283
Additions		11,169		15,144		150,807		77,051		254,171
Disposals		-		-		(88,021)		-		(88,021)
Balance as at September 30, 2023		14,694		128,583		314,593		89,563		547,433
Balance as at October 1, 2023		14,694		128,583		314,593		89,563		547,433
Additions		-		-		-		-		-
Balance as at September 30, 2024	\$	14,694	\$	128,583	\$	314,593	\$	89,563	\$	547,433
Accumulated Depreciation										
Balance as at September 30, 2022	\$	1,622	\$	44,474	\$	151,688	\$	1,548	\$	199,332
Balance as at October 1, 2022		1,622		44,474		151,688		1,548		199,332
Depreciation		3,744		15,308		53,043		9,898		81,993
Disposals		-		-		(60,174)		-		(60,174)
Balance as at September 30, 2023		5,366		59,782		144,557		11,446		221,151
Balance as at October 1, 2023		5,366		59,782		144,557		11,446		221,151
Additions		4,664		13,761		51,010		15,623		85,058
Balance as at September 30, 2024	\$	10,030	\$	73,543	\$	195,567	\$	27,069	\$	306,209
Carrying Amounts										
Balance as at September 30, 2023	\$	9,328	\$	68,801	\$	170,036	\$	78,117	\$	326,282
Balance as at September 30, 2024	\$	4,664	\$	55,040	\$	119,026	\$	62,494	\$	241,224

9 Leases

The Company leases mainly cars, equipment and real estate assets (such as office space).

Short-term leases and leases of low-value assets refer mainly to equipment (equipment used in construction) and real estate assets (office building) which are expensed off in Profit and loss account and hence vehicle (car) is capitalized as Right of use asset under IFRS 16.

The Company incurred finance costs (interest expenses) on lease liabilities of \$3,757 for year ended September 30, 2024, (2023 - \$1,031).

The discount rate used to determine the right-of-use asset and the lease liability for each leased asset is calculated based on the implicit rate on the lease, where the implicit rate is unavailable, the leased asset is calculated based on the incremental borrowing rate at inception of the lease. The Company calculated the rate applicable to each lease contract on the basis of the lease duration.

The maturity analysis of lease liabilities, based on contractual undiscounted cash flows is shown at the end of this note.

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

9 Leases (continued)

Right of Use Assets and Lease Liabilities

The following are the changes in the carrying value of right of use assets:

		Vehicles	Total
Balance as at October 1, 2022	\$	26,939	\$ 26,939
Depreciation		(15,394)	(15,394)
Balance as at September 30, 2023	\$	11,545	\$ 11,545
Balance as at October 1, 2023	\$	11,545	\$ 11,545
Additions		94,321	93,871
Disposition		(8,182)	(11,545)
Depreciation		(27,883)	(24,070)
Balance as at September 30, 2024	\$	69,801	\$ 69,801

The following is the movement in lease liabilities:

		September 30, 2024	September 30, 2023
Balance - beginning of year	\$	9,540	\$ 23,571
Additions		59,786	-
Finance cost accrued during the year		3,757	1,031
Deletions		(5,681)	-
Payment of lease liabilities		(21,866)	(15,062)
Balance - end of year	\$	45,536	\$ 9,540

		September 30, 2024	September 30, 2023
Current lease liabilities	\$	17,936	\$ 9,540
Non-current lease liabilities		27,600	-
	\$	45,536	\$ 9,540

The table below provides details regarding the contractual maturities of lease liabilities as of September 30, 2024 and 2023 on an undiscounted basis:

		September 30, 2024	September 30, 2023
Less than one year	\$	21,115	\$ -
One to five years		28,153	-
More than five years		-	-
Total	\$	49,268	\$ -

10 Trade and Other Payables

		September 30, 2024	September 30, 2023
Trade Payables	\$	380,156	\$ 506,527
Remuneration and benefits payable		45,384	55,891
Provincial sales tax payable (refund)		21,217	300,105
Accrued expenses		91,360	67,318
	\$	538,117	\$ 929,841

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

11 Borrowings

	September 30, 2024	September 30, 2023
a) Current		
-Term Loan	\$ 50,160	\$ 90,160
-Vehicle Loan	47,476	44,443
	\$ 97,636	\$ 134,603

	September 30, 2024	September 30, 2023
b) Non-current		
-Term Loan	\$ 62,940	\$ 113,100
-Vehicle Loan	110,694	157,335
	\$ 173,634	\$ 270,435

Details of term loans from banks:

Loan	Principal Amount	September 30, 2024	September 30, 2023
Term loan (BDC 1)	\$ 100,000	\$ 24,900	\$ 44,820
Term loan (BDC 2)	182,000	88,200	118,440
Term loan (CEBA Loan)	40,000	-	40,000
Vehicle loan (2186 loan payable - 2017 GMC Savan Cargo)	40,826	19,465	26,209
Vehicle loan (2174 loan payable - 2021 Silverado 1500)	63,620	40,423	53,198
Vehicle loan (2183 loan payable - 2020 Addison Chevrolet)	42,418	24,470	28,588
Vehicle loan (2182 loan payable - 2019 Chevrolet 2500-2)	28,254	12,205	16,296
Vehicle loan (2177 loan payable - 2019 Chevrolet Cargo-1)	30,077	12,945	17,299
Vehicle loan (2187 loan payable - 2022 Silverado 1500)	71,833	48,662	60,188
	\$ 599,028	\$ 271,270	\$ 405,038

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

11 Borrowings (continued)

Loan	Issuance Date	Effective Interest Rate	Maturity Date	Additional Features
Term loan (BDC 1)	10-01-2021	4.55%	10-12-2025	Monthly payment - \$1,660
Term loan (BDC 2)	15-09-2021	3.00%	15-08-2027	Monthly payment-\$2,520
Term loan (CEBA Loan)	04-11-2020	5.00%	31-12-2025	25% of loan is forgiven if repaid before January 19, 2024. Interest rate at 5% shall accrue on unpaid principal balance.
Vehicle loan (2174 loan payable - 2015 Silverado)	01-05-2023	6.99%	31-05-2028	Monthly payment - \$1,116
Vehicle loan (2187 loan payable - 2021 Silverado 1500)	09-02-2023	1.49%	20-01-2028	Biweekly payment - \$532
Vehicle loan (2186 loan payable - 2017 GMC Savan Cargo)	28-05-2021	5.69%	23-05-2027	Biweekly payment - \$310
Vehicle loan (2183 loan payable - 2020 Addison Chevrolet)	08-02-2021	5.99%	31-01-2028	Biweekly payment - \$286
Vehicle loan (2182 loan payable - 2019 Chevrolet 2500-2)	23-06-2020	5.63%	20-06-2027	Biweekly payment - \$188
Vehicle loan (2177 loan payable - 2019 Chevrolet Cargo-1)	23-06-2020	5.64%	20-06-2027	Biweekly payment - \$200

Canada Emergency Business Account loan (CEBA)

The government of Canada created as program called the Canada Emergency Business Account (CEBA) intended to support small businesses during COVID-19 outbreak, providing a loan to assist in covering expenses that could not be avoided or deferred. During the year ended September 30, 2021, the company received \$40,000. As of September 30, 2024, the CEBA loan was fully repaid and the forgivable amount of \$10,000 is recognized in the statement of Income under other income (loss).

12 Other Liabilities

	September 30, 2024		September 30, 2023	
Union Dues	\$	59,735	\$	61,721
Pension Dues		-		44,208
Total	\$	59,735	\$	105,929

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

13 Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	September 30, 2024	September 30, 2023
Earnings for the year before income taxes	\$ (2,954,646)	\$ 2,115,857
Combined income tax rates	26.50%	26.50%
Increase (decrease) attributable to:		
Expected income tax expenses	(783,000)	561,000
Permanent difference	472,000	5,000
Change in statutory rates and other	(107,000)	(98,000)
Shares issue cost	(13,000)	-
	(431,000)	468,000
Deferred income tax expense	(426,000)	457,000
Current income tax (recovery) expense	(5,000)	11,000

The significant components of the Company's deferred tax assets and liabilities are as follows:

	September 30, 2024	September 30, 2023
Property, plant and equipment	\$ (51,000)	\$ (30,000)
Share issue cost	11,000	-
Contract asset	(18,000)	(49,000)
Holdback receivable	(99,000)	(120,000)
Right of use asset	(12,000)	(3,000)
Lease liability	7,000	3,000
Non-Capital losses	389,000	-
Net deferred tax liabilities	\$ 227,000	\$ (199,000)

The significant components of the Company's temporary differences and unused tax losses are as follows:

	September 30, 2024	Expiry Date Range	September 30, 2023	Expiry Date Range
Property, plant and equipment	\$ 192,000	No expiry	\$ 112,000	No expiry
Contract asset	69,000	No expiry	186,000	No expiry
Holdback receivable	373,000	No expiry	453,000	No expiry
Right of use asset & Lease liability	18,000	No expiry	2,000	No expiry
Share issue costs	40,000	2034 - 2037	-	No expiry
Non-Capital losses carried forward	1,468,000	2021 - 2041	-	No expiry

Tax attributes are subject to review and potential adjustment by tax authorities.

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

14 Share Capital

Authorized

Unlimited - Class A Common Shares with no par value

Unlimited - Class B Common Shares with no par value

Common shares - Subscribed and Fully Paid

		Shares		Amount
		Class A	Class B	
Balance, September 30, 2022 and October 1,		200	-	\$ 10
Private placement financing	(i)	8,947,995	-	1,342,200
Valuation of warrants	(i)	-	-	(118,909)
Cost of issuance - cash	(i)	-	-	(50,340)
Finder warrants	(i)	-	-	(11,914)
Share exchange from Urban to UIG	(Note 4)	83,000,000	-	-
Replacement of Urban shares to UIG	(Note 4)	(200)	-	(6)
Replacement of Urban shares to UIG	(Note 4)	-	17,000,000	6
Share exchange from Deal Pro to UIG	(Note 4)	8,207,001	-	1,121,988
Finder shares	(Note 4)	4,357,920	-	595,776
Balance, September 30, 2024		104,512,916	17,000,000	\$ 2,878,811

- (i) On March 18, 2024, the Company completed its previously announced Concurrent financing with respect to the RTO transaction, pursuant to which it sold an aggregate of 8,947,995 units ("Unit") at a price of \$0.15 per Unit for aggregate gross proceeds of \$1,342,200. Each Unit was comprised of one Class A common Share in the Capital of Urban and One-half of one warrant, each Warrant is exercisable into one Urban Common Share, at a price of \$0.25 at any time until March 18, 2026. The warrants were valued at \$118,909 using the residual value method. Pursuant to the concurrent financing, Urban paid three arm's length parties (collectively, the Finders") an aggregate cash commission of \$50,340 and issued to the Finders an aggregate of 269,866 non-transferable finder warrants, with each warrants exercisable into one Urban Unit ("Compensation Unit") at a price of \$0.15 per Compensation Unit, at any time until March 18, 2026. Each whole Compensation Unit warrant was to entitle the holder to purchase one Urban Common Share at \$0.25 per Common Share until March 18, 2026. The finder warrants were valued at \$11,914, using the Black-Scholes pricing model with the following assumptions: Underlying price of \$0.15, Exercise price of \$0.25, Risk free rate of 4.33%, Volatility of 59% and the expected life of two years.

15 Warrants

The following table reflects the continuity of warrants for the year ended September 30, 2024 and 2023:

	Number of warrants	Grant date fair value
Balance, October 1, 2022 and 2023	-	\$ -
Issued - Financing Note 14(i)	4,473,998	118,909
Issued - Finders warrants Note 14(i)	269,866	11,914
Balance, September 30, 2024	4,743,864	\$ 130,823

The following table reflects the warrants issued and outstanding as of September 30, 2024 and 2023:

Expiry date	Exercise Price (\$)	Warrants Outstanding	Valuation
March 18, 2026	\$ 0.25	4,743,864	\$ 130,823

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

16 Options

The following table reflects the continuity of stock options for the year ended September 30, 2024 and 2023:

	Number of stock options	Weighted average Exercise price (\$)
Balance, October 1, 2022 and 2023	-	\$ -
Granted (i)	820,700	0.01
Granted (ii)	8,778,767	0.17
Balance, September 30, 2024	9,599,467	\$ 0.17

The following table reflects the Company's stock options outstanding and exercisable as at September 30, 2024:

Weighted averaged remaining contractual life	Options outstanding		Options exercisable		Expiry date
	Number of Options	Weighted average exercise price (\$)	Number of Options	Weighted average exercise price (\$)	
7.00	154,054	\$ 0.05	154,054	\$ 0.05	June 25, 2031
7.00	67,757	0.10	67,757	0.10	October 22, 2031
1.00	415,946	0.05	415,946	0.05	March 26, 2025
1.00	182,943	0.10	182,943	0.10	March 26, 2025
5.00	8,778,767	0.17	-	-	May 30, 2029
4.84	9,599,467	\$ 0.17	820,700	\$ 0.17	

(i) From the RTO as disclosed in Note 4, Upon the Completion of the Transaction, the Resulting Issuer will have 570,000 Stock Options outstanding. The holders of the 570,000 Stock Options will be entitled to the purchase of one Resulting Issuer Share at a price of \$0.05 of which 154,054 Stock Options expire on June 25, 2031 and 415,946 Stock Options expire within 12 months from Closing. The holders of 250,700 Stock Options will be entitled to the purchase of one Resulting Issuer Share at a price of \$0.10 of which 67,757 Stock Options expire on October 22, 2031 and 182,943 Stock Options expire within 12 months from Closing. The value of these options were determined using the following parameters as per below.

(ii) On May 30, 2024, the Company awarded 7,798,767 incentive options on the Company's common shares to directors, management, employee, and other individuals in accordance with the terms of the Company's incentive Stock Option Plan. The Exercise price for the Options is C\$0.18 per share. These options will vest as to 1/2 at the date that is 18 months from the grant date and the remaining 1/2 will vest on the date that is 36 months from the grant date. The options are valid for a 5-year period from the date of grant. The Company also granted 980,000 stock options to Venture North, each exercisable at \$0.17 per share and vesting quarterly. These options are valid for a 5-year period from the date of grant. The value of these options were determined using the following parameters as per below.

Option units	154,054	67,757	415,946	182,943	980,000	7,798,767
Estimated Life in year	7 years	7 years	1 year	1 year	1 year	5 years
Exercise Price	0.05	0.10	0.05	0.10	0.17	0.18
Volatility	65%	65%	60%	60%	57%	151%
Dividend Yield %	0%	0%	0%	0%	0%	0%
Risk-free rate %	3.6%	3.6%	4.33%	4.33%	4.31%	3.81%
Estimated Value	\$17,320	\$6,763	\$37,267	\$9,603	\$36,992	\$754,255

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

17 Revenue

	September 30, 2024	September 30, 2023
Rendering of Services	\$ 5,381,874	\$ 12,276,877

a) Revenue Concentration

For the year ended September 30, 2024, there was one customer that individually comprised more than 10% of revenues, and approximately 84% in total. For the year ended September 30, 2023, there were two customers that individually comprised more than 10% of revenues and 80% in total.

b) Remaining Performance Obligations

The Company has applied the practical expedient provided in the standard and accordingly not disclosed the remaining performance obligations relating to contracts where the performance obligations are part of a contract that has an original expected duration of one year or less and has also not disclosed the remaining performance obligations related disclosures for contracts where the revenues recognized corresponds directly with the value to the customer of the entity's performance completed to date. The following table provides revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date:

	Year ended September 30, 2024	Year ended September 30, 2023
To be Recognized		
Within one year	\$ 7,791,218	\$ 1,933,912
One to three years	-	-
Three years or more	-	-
Total	\$ 7,791,218	\$ 1,933,912

18 Cost of Sales

	Year ended September 30, 2024	Year ended September 30, 2023
Change in work in progress	\$ 116,366	\$ 322,561
Raw materials and consumables	1,708,658	3,896,872
Direct labour	1,805,305	2,829,691
Sub-contractors	98,330	676,849
Union Dues	609,012	897,477
Equipment rental	6,045	23,046
Other	973	-
Total	\$ 4,344,689	\$ 8,646,496

19 General and administrative expenses

	Year ended September 30, 2024	Year ended September 30, 2023
Bad debts	\$ 10,579	\$ 7,019
Meals and travel	63,541	66,246
Office and miscellaneous	128,282	94,010
Telephone	12,145	9,039
Total	\$ 214,547	\$ 176,314

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023
(All amounts are in CAD, unless otherwise stated)

20 Related Party Transactions

Key management personnel (“KMP”) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director whether executive or otherwise. Key management personnel include the board of directors and other senior management executives. Related party transactions are in the ordinary course of operations and measure at the exchange amount, which is the amount of consideration established and agreed upon by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured unless specified.

Transactions with KMP	Year ended	
	September 30, 2024	September 30, 2023
Salary paid to KMP	\$ 358,322	\$ 333,940
Share-based payment	118,482	-
Legal fees	22,070	-
Dividend	500,000	50,000
Consulting fees	30,000	-
Management fees	161,788	-
	\$ 1,190,662	\$ 383,940

Amounts due to or from related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties. The amounts due to or from related parties as at September 30, 2024 \$25,325 (2023 - \$Nil) are included in trade and other payables.

21 Financial Instruments and Risk Management

Financial instruments by category

The carrying amounts and fair value of the financial instruments by each category as at September 30, 2024 and September 30, 2023 were as follows:

Financial Assets	Carrying Value		Fair Value	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Financial Assets at Amortized Cost				
Trade receivables	\$ 1,262,304	\$ 1,794,947	\$ 1,262,304	\$ 1,794,947
Holdback receivables	373,125	458,422	373,125	458,422
Contract assets	69,461	185,826	69,461	185,826
	\$ 1,704,890	\$ 2,439,195	\$ 1,704,890	\$ 2,439,195
Financial Liabilities	Carrying Value		Fair Value	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Financial Liabilities at Amortized Cost				
Borrowings (long-term)	\$ 173,634	\$ 270,435	\$ 173,634	\$ 270,435
Non-Current Lease Liabilities	27,600	-	27,600	-
Borrowings (Short-term)	97,636	134,603	97,636	134,603
Current Lease Liabilities	17,936	9,540	17,936	9,540
Other liabilities	59,735	105,929	59,735	105,929
Trade Payable	538,117	929,841	538,117	929,841
	\$ 914,658	\$ 1,450,348	\$ 914,658	\$ 1,450,348

a) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency rate and price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)**Notes to Consolidated Financial Statements****Years Ended September 30, 2024 and 2023***(All amounts are in CAD, unless otherwise stated)***21 Financial Instruments and Risk Management**

i) Credit risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, trade and other receivables, and holdback receivables. Cash consist of deposits at Canadian financial institutions. Trade and other receivables and holdback receivables are in good standing as of September 30, 2024. Management believes that the credit risk concentration with respect to financial instruments is minimal.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. As at September 30, 2024, the Company had current assets of \$2,381,870 (September 30, 2023 - \$3,395,392) to settle current liabilities of \$894,476 (2023 - \$1,637,274).

As at September 30, 2024

	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	>5 years
Borrowings	\$ 271,270	\$ 319,737	\$ 117,349	\$ 174,022	\$ 28,366	\$ -
Lease liabilities	45,536	49,268	21,115	28,153	-	-
Trade and other payables	538,117	538,117	538,117	-	-	-
Other liabilities	59,735	59,735	59,735	-	-	-
	\$ 914,658	\$ 966,857	\$ 736,316	\$ 202,175	\$ 28,366	\$ -

As at September 30, 2023

	Carrying amount	Contractual cash flows	0-12 months	1-3 years	3-5 years	>5 years
Borrowings	\$ 405,038	\$ 468,892	\$ 163,665	\$ 211,924	\$ 93,303	\$ -
Lease liabilities	9,540	10,041	10,041	-	-	-
Trade and other payables	929,841	929,841	929,841	-	-	-
Other liabilities	105,929	105,929	105,929	-	-	-
	\$ 1,450,348	\$ 1,514,703	\$ 1,209,476	\$ 211,924	\$ 93,303	\$ -

iii) Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that affect market risk sensitive instruments. The Company is exposed to market risk primarily related to interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating activities.

iv) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash and interest-bearing borrowings. The Company currently does not have any policy to manage interest risk.

22 Capital Management

The Company manages its capital with the following objectives:

- i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- ii) To maximize shareholder return.
- iii) The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets.

Urban Infrastructure Group Inc. (formerly Deal Pro Capital Corporation)

Notes to Consolidated Financial Statements

Years Ended September 30, 2024 and 2023

(All amounts are in CAD, unless otherwise stated)

22 Capital Management (continued)

The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, warrants, contributed surplus, and components of equity, which at September 30, 2024, totaled \$1,772,185 (2023 - \$1,626,510). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on the Company's operating activities and investment activities.

Information is provided to the Board of Directors. The Company's capital management objectives, policies and processes have remained unchanged during the year ended September 30, 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

23 Segment Reporting

The Company is in the business providing construction service. Accordingly, there are no separate reportable primary segments as per IFRS 8. Secondary segmental reporting is based on geographical location is also not applicable to the Company as its transactions are only within Canada.

24 Supplemental Cash Flow Information

	September 30, 2024	September 30, 2023
Cash paid during the year for:		
Interest payment	\$ 41,060	\$ 43,442
Taxes	-	-
Non-cash investing and financing transactions:		
Initial recognition of right of use asset	\$ 59,786	\$ -

25 Subsequent events

i) Promissory Note

On December 18, 2004, the Company issued an unsecured loan to a shareholder in the amount of \$81,361. The loan is repayable on December 18, 2025, one year from the issue date. No interest is being charged on the loan.

ii) Short Term Credit Facility

On November 14, 2024, Urban Infrastructure Group Inc. (the "Company") entered into a short-term credit facility agreement with Clarity Finance Partners Corp. ("CFPC"). The agreement provides the Company with a factoring credit facility of up to \$1,000,000 CAD. The key terms of the facility are as follows:

- The facility allows the Company to factor eligible accounts receivable (up to 70%) and work-in-progress (up to 50%).
- Advances under the facility are subject to a discount rate of 3% for a minimum of 30 days, with an additional 0.1% per day on any outstanding balances thereafter, compounded monthly.
- Repayment is required within 90 days of each advance unless otherwise agreed with CFPC.

The facility is secured by a General Security Agreement (GSA) providing CFPC with a first-priority security interest over all personal property of the Company, including purchase orders, work-in-progress, and accounts receivable.

URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)

MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024

The following Management Discussion & Analysis (“**MD&A**”) of Urban Infrastructure Group Inc. (formerly, Deal Pro Capital Corporation) (the “**Company**” or “**Urban**”) is dated January 28, 2025, unless otherwise indicated, and should be read in conjunction with the Company’s financial statements and notes thereto for the year ended September 30, 2024 (the “**Financial Statements**”) and the related notes.

The information contained in this report has been approved by the Company’s Board.

The Company’s certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company’s officers certify that the Financial Statements and MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board of Directors approves the Financial Statements and MD&A and ensures that the Company’s officers have discharged their financial responsibilities. The Board’s review is accomplished principally through the Audit Committee, which reviews and approves all financial reports prior to filing.

Additional information related to the Company is available on SEDAR+ at www.sedarplus.ca.

BASIS OF PRESENTATION

This MD&A and the financial statements have been prepared in Canadian dollars, unless otherwise indicated, and in accordance with International Financial Reporting Standards (“IFRS”).

COMPANY OVERVIEW AND DESCRIPTION OF BUSINESS

Urban Utilities Contractors Inc. was incorporated under the *Business Corporations Act* (Ontario) on September 30, 2015.

On March 18, 2024, Urban Utilities Contractors Inc. (“UUCI”) completed an RTO Transaction with Deal Pro Capital Corporation (“DP”) and the resulting company changed its name to Urban Infrastructure Group (“Urban”, or the “Company”).

Under the terms of the RTO Transaction, DP issued 83,000,000 Class A common shares and 17,000,000 Class B common shares, to acquire all of the issued and outstanding common shares of UUCI. The 17,000,000 Class B common shares can be exchanged for 17,000,000 Class A common shares under certain conditions. DP issued 4,357,920 Class A common shares and 269,866 Finder’s Warrants as Finder’s Fees, which were converted into Urban common shares and warrants on a one-to one basis.

The Company completed a Concurrent Financing on March 18, 2024, of 8,947,995 Units at \$0.15 per Unit, for gross proceeds of \$1,342,200. Each Unit comprised one Class A common share and one half of one Class A warrant. Each whole warrant can be exercised at a price of \$0.25, per Class A common share, at any time until March 18, 2026. Warrants issued as Finder Fees can be exercised at a price of \$0.15 per Class A common shares, at any time until March 18, 2026, with each warrant to be comprised of one Class A common share and one-half of one Class A common share warrant. Each whole warrant can be exercised at a price of \$0.25, per Class A common share, at any time until March 18, 2026.

The Company commenced trading on the TSXV under the symbol UIG on March 26, 2024. This RTO Transaction was a Qualifying Transaction (QT) under the Exchange Rules.

Urban is focused on the concrete and drain sector for new low-rise construction in the Southern Ontario region. The services that Urban provides includes the installation of drainage systems and laying strong, seamless foundations for homes across and beyond the Greater Toronto Area. Urban has worked with some of the largest home builders in Canada, specializing in:

- Concrete and drain work for the residential housing sector.

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

**MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024**

- Construction of underground services for residential subdivisions.

These services primarily involve the concrete and drain segment of new home construction which occurs during the earliest stage of the construction process. The concrete and drain sector is comprised of the following aspects:

- (i) the installation and connection of the basement drain to the sewer line;
- (ii) pouring of the basement floor;
- (iii) pouring of the garage floor; and
- (iv) pouring of the porch and stairs.

Urban has serviced areas with burgeoning communities, including:

Brampton	Caledon	Oshawa
Ayr	Barrie	Bracebridge
Kitchener	Whitby	Pickering
Oakville		

COMPANY HIGHLIGHTS

During the year ended September 30, 2024, and to the date of this MDA, the Company:

- Completed its RTO transaction with DP.
- Listed its shares for trading on the TSXV Exchange under the symbol UIG.
- Raised equity capital of approximately \$1.3M CAD
- Market Open for Canada’s capital markets at the TSX Broadcast centre in Toronto
- Attended and presented at a small cap conference in Las Vegas, Nevada
- Delivered an online webinar presentation and interview with Radius Research
- Generated a pipeline (defined as projects where we have been invited and have submitted bid proposals) of approximately \$27M. Additionally, we have an awarded contracts with an estimated value of \$8.3M.

Change in Directors

On December 9, 2024, the Company announced that Luca Filice joined the Board and Jennifer Labrecque had resigned from the Board. Mr. Filice’s reputation and decades of construction experience in the construction community, along with his network of business partners in the excavation, forming, utilities and site servicing circles will strengthen the UIG Board. As a partner and General Manager leading the custom home building operations of PCMnow.com Inc., a Canadian custom home builder, based Oakville, Ontario, specializing in planning, design and turnkey construction services, Mr. Filice has built some of the finest luxury homes in southeast Oakville and surrounding areas. Notably, Mr. Filice has been the builder of choice for the annual Princess Margaret Lottery Home and other high value projects.

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024

SUMMARY OF ANNUAL RESULTS

The following table sets forth selected financial information from the Company's audited financial statements for each of the two most recently completed year ends.

	YEARS ENDED		
	Sept 30, 2024	Sept 30, 2023	Sept 30, 2022
Revenues	\$5,381,874	\$12,276,877	\$7,648,330
Net income (loss)	\$(2,523,322)	\$1,674,887	\$251,260
Earnings per share (basic and diluted)	\$(0.05)	\$8,239	\$1,256

The 2024 year saw a significant downturn in construction activity. Also, in 2024, the Company completed its go public, RTO transaction and recorded a non-cash "listing expense" of \$2.0 million. Earnings per share in 2024 decreased as average shares outstanding increased from 200 as a private company to 56 million in 2024. As per note #4 in the audited year-end financial statements, entitled Reverse Takeover Transaction, the "listing expense", the vast majority of which, is a non-cash expense that is calculated by subtracting the identifiable assets of the CPC shell (Deal Pro), which were nominal, from the total fair value of the shares, options and warrants that were allocated to the former shareholders of Deal Pro as part of the purchase price. Thus, the one-time, non-cash "listing expense" of approx. \$2.0M in 2024.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected financial information from the Company's quarterly financial statements.

Quarter Ended	Revenue	Gross Margin	Expenses	Net Income	Earnings Per Share	Average Shares
2024-09-30	\$ 1,217,118	\$ 74,319	\$ 356,349	\$ (317,355)	\$(0.00)	104,512,916
2024-06-30	661,984	(342,826)	546,642	(910,034)	(0.01)	104,512,916
2024-03-31	1,536,307	323,284	626,771	(1,855,640)	(0.32)	5,742,646
2023-12-31	1,966,465	982,408	419,709	559,707	2,799	200
2024-09-30	2,703,225	1,198,884	422,867	281,613	1,408	200
2023-06-30	2,867,211	632,238	409,755	219,541	1,098	200
2023-03-31	2,922,648	901,155	341,291	559,864	2,799	200
2022-12-31	3,783,793	898,104	303,063	586,869	2,934	200

The March 2024 quarter loss was mostly created by the one-time non-cash, listing fee expense of \$1,552,153 (revised to \$1,958,062 in September 2024) and increased professional fees. These costs related to the go-public transaction. As per note #4 in the audited year-end financial statements entitled Reverse Takeover Transaction, the "listing expense" is a non-cash expense that is calculated by subtracting the identifiable assets of the CPC shell (Deal Pro), which were nominal, from the total fair value of the shares, options and warrants that were allocated to the former shareholders of Deal Pro as part of the purchase price. Thus, the one-time, largely non-cash "listing expense" of approximately \$2.0M in 2024. The June 2024 and September 2024 losses were mostly created by low revenue.

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024

RESULTS OF OPERATIONS

Three months ended September 30, 2024

The Company recorded a net loss of \$317,355 (\$0.00 per share) for the three-month period ended September 30, 2024 as compared to net income of \$281,613 (\$1,408 per share) for the three-month period ended September 30, 2023. The loss in the 2024 quarter is mostly the result of decreased revenue in the September 2024 quarter.

Revenues for the three-month period ended September 30, 2024 rebounded to \$1,217,118 as compared to revenue of \$661,984 for the three-month period ended June 30, 2024, as the construction market showed signs of a coming recovery. Early indicators show that sales in the coming 12 months should accelerate from those in 2024. Gross margins should recover with increased sales and demand for construction services.

Year ended September 30, 2024

The Company recorded net loss of \$2,523,322 (\$0.05 per share) for the year ended September 30, 2024, as compared to net income of \$1,647,887 (\$8,374 per share) for the year ended September 30, 2023. The decrease in net income is the result of decreased revenue in the 2024 fiscal year. A one-time, non-cash, \$2.0 million "listing fee" related to the Company's RTO transaction was also a significant component of the 2024 loss. As per note #4 in the audited year-end financial statements entitled Reverse Takeover Transaction, the "listing expense" is principally a non-cash expense that is calculated by subtracting the identifiable assets of the CPC shell (Deal Pro), which were nominal, from the total fair value of the shares, options and warrants that were allocated to the former shareholders of Deal Pro as part of the purchase price. Thus, the one-time "listing expense" of approx. \$2.0M in 2024.

Revenues for the year ended September 30, 2024 were \$5,381,874 as compared to revenue of \$12,276,877 for the year ended September 30, 2023.

The decrease in revenues was a result of an industry-wide, well-documented slowdown in the residential building market. Many in the industry, media and elsewhere believe this has been caused primarily by developers delaying project launches as they assessed the interest rate environment and economic conditions. As a result of these delays, our sales for the period were down significantly from the prior year comparative period. That said, we continue to have a strong pipeline of contracted jobs that are starting to move into the shovel-stage. Although we are not certain as to when these industry delays will fully moderate, we are seeing movement. The series of interest rate cuts in 2024 including the two ½ point cuts are excellent signs that improved affordability will improve the supply-demand balance. We note that there are some early signs of projects starting back up and our labour crews getting busier, but it remains to be seen if this will take on some permanence. Our ~\$27M bid pipeline and our ~\$8.3M in awarded contracts delivers a optimistic indicator that there is a thawing-out of the deep freeze which saw our low rise residential developer clients struggle mightily to get shovels in the ground this year. Additional support is anticipated via additional rate cuts in 2025.

The cost of sales for the year ended September 30, 2024, were \$4,344,689 compared to \$8,646,496 for the year ended September 30, 2023. Most of the decrease was created through lower sales.

The difference in operating expenses on a year over year basis is explained below:

Listing expense \$1,958,062 (2023 \$Nil). This expense item reflects the one-time, mostly non-cash cost of the RTO Transaction, which provided the Company with its TSX-V listing in March 2024. As per note #4 in the audited year-end financial statements, entitled Reverse Takeover Transaction, the "listing expense" is a non-cash expense that is calculated by subtracting the identifiable assets of the CPC shell (Deal Pro), which were nominal, from the total fair value of the shares, options and warrants that were allocated to the former

URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)

MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024

shareholders of Deal Pro as part of the purchase price. Thus, the one-time, non-cash “listing expense” of approx. \$2.0M in 2024.

Professional fees \$445,320 (2023 – \$224,259). Professional fees in 2024 increased significantly versus 2023, reflecting public company costs.

Remuneration and benefits \$674,205 (2023 – \$642,451). The increase reflects additional staff for the public company, and a long-time junior staff member who moved from part time to full time in May of 2023.

Share-based payments \$140,420 (2023 – \$Nil). The Company granted 8,778,767 stock options to directors, management, employees and consultants in the 2024 fiscal year. The options are being expensed over their respective vesting periods.

The Company granted 8,778,767 stock options to directors, officers and other employees and contractors during the June 2024 quarter. The options vest as 50% after 18 months and 50% after 36 months. The Company recognized a non-cash expense related to these option grants based on the vesting periods.

General and Administrative \$214,547 (2023 – \$176,314). General and Administrative expense increased in 2024 over 2023 in support of Urban’s increased office staff and to facilitate its go public transaction in 2024.

Insurance \$111,249 (2023 – \$70,458). Insurance expense increased in 2024 over 2023 in support of Urban’s increased office staff and to facilitate its go public transaction in 2024.

Depreciation \$112,941 (2023 – \$97,387). Depreciation in 2024 versus 2023 was steady as mid-late 2022 additions of a new truck purchases and leasehold improvements with respect to renovations at a new head office rental space in Brampton, Ontario continue to be depreciated.

Equipment and Other \$180,822 (2023 – \$223,683). The decrease is due to the reduced revenue, as crew size along with the decrease in houses completed driving the need for fewer tools and equipment such as power trowels, power tools, hand tools, safety equipment.

Consulting fees \$34,075 (2023 – \$Nil). The Company engaged consultants to help identify and assess corporate opportunities in 2024.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related party transactions

The Company’s related parties consist of the Company’s directors and officers, and any companies associated with them. Key Management Personnel (“KMP”) includes directors and executive officers of the Company. Other than the amounts disclosed below, there was no other compensation paid or payable to key management for employee services for the reported periods. The other related parties are those with whom the Company has had transaction during the years ended September 30, 2024 and 2023 are as follows:

Name of the Personnel	Relationship with the Company
Mr. Gary - Director	KMP and a Major Shareholder of 87.98% of Class A and 100% of Class B Common Shares.
Mrs. Krisztina Alves	KMP
Ungad Chadda	CEO of the Company
John C. Ross Consulting Inc.	Company owned by the CFO of the Company

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

**MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024**

1000679050 Ontario Inc.	Company owned by a Director which holds shares in the Company
Legal Labs Inc.	Company owned by a former Director of the Company

During the years ended September 30, 2024 and 2023, the Company reported the following expenses to related parties:

Transactions with Related Parties	Year ended	
	Sept. 30, 2024	Sept. 30, 2023
Salary paid to KMP	\$ 358,322	\$ 333,940
Share-based payments	118,482	-
Legal fees	22,070	-
Dividend	500,000	50,000
Management fees	161,788	-
Consulting fees	30,000	-
	\$ 1,190,662	\$ 383,940

Amounts due to or from related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties. The amounts due to or from related parties as at September 30, 2024 \$25,325 (2023 - \$Nil) are included in trade and other payables.

LIQUIDITY AND CAPITAL RESOURCES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue operations. In the management of capital, the Company includes its components of shareholders' equity. The Company operates with a positive working capital balance based on beneficial credit terms from its suppliers and 15-day payment terms on the majority of contracts with developers. This results in positive working capital including cash on hand and a bank operating line that has not been drawn on.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling its expenses. The Company is not subject to externally imposed capital requirements. Additionally, the Company is capital expenditure light and requires pick-up trucks and hand tools to deliver its products and services to customers.

The Company is not subject to any capital requirements imposed by a regulator, other than, when listed, the continued listing requirements of the TSX Venture Exchange.

As at September 30, 2024 the Company held cash of \$671,980 (September 30, 2023 – \$951,197) and had a working capital surplus of \$1,487,394 (September 30, 2023 – working capital surplus of \$1,758,118).

During the year ended September 30, 2024, net cash used by operating activities was \$902,866 (2023 – cash provided of \$1,266,225). Net cash used in investing activities was \$20,831 (2023 – cash used of \$254,171), from a downpayment on ROU assets. Net cash provided by financing activities in 2024 was \$644,481 (2023 – use of \$24,752), as \$1,291,860 received on the issuance of shares was partly offset by a \$500,000 dividend and \$125,513 of borrowing repayments.

FINANCIAL INSTRUMENTS

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

**MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024**

Fair value of financial instruments

The Company classifies the fair value of its financial instruments according to a fair value hierarchy based on the significance of observable inputs used to value the instrument as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

As at September 30, 2024 and September 30, 2023, cash under the fair value hierarchy were recorded based on level 1 inputs.

Classification of financial instruments

The Company's financial instruments consist of cash and bank overdraft, trade and other receivables, holdback receivables, trade and other payables, other liabilities, due to related party, borrowings and lease liabilities. Cash and bank overdraft were classified as fair value through profit or loss and the other financial instruments were classified as amortized cost.

Financial and capital risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

SECURITIES OUTSTANDING

Subdivision of Common Shares

On January 22, 2024, the Company filed articles of amendment subdividing the issued and existing common shares on the basis of one existing common share being subdivided into 500,000 post-subdivision common shares. As of the date hereof, there are an aggregate of 104,512,916 common shares issued and outstanding.

Creation of Class A and Class B shares

On February 7, 2024, UUIC filed articles of amendments creating an unlimited number of Class A and Class B Shares.

The holders of the Class A Shares are entitled to dividends if, as and when declared by the board of directors, to receive notice of and one vote per Class A Share at meetings of shareholders and, upon liquidation, dissolution or winding up of UUIC, to share rateably in such assets of UUIC as are distributable to the holders of common, Class A and Class B shares. These Class A and B common shares were exchanged for Urban Class A and B common shares in the RTO Transaction.

The holders of Class B Shares are not entitled to receive any dividends nor are they entitled to or to receive notice at any meeting of shareholders of the Company (other than meetings of the holders of Class B Shares). Upon liquidation, dissolution or winding up of the Company, to share rateably in such assets of the Company as are distributable to the holders of common, Class A and Class B shares. The Class B Shares are non-transferable except as required pursuant to the RTO Transaction.

As at the date of this MD&A, September 30, 2024 and September 30, 2023, the Company's outstanding

URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)

MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024

share information is as follows:

	January 28, 2025	September 30, 2024	September 30, 2023
Common shares	-	-	200
Class A common shares issued and outstanding	104,512,916	104,512,916	-
Class B common shares issued and outstanding	17,000,000	17,000,000	-
Stock options issued and outstanding	9,599,467	9,599,467	-
Warrants issued and outstanding	4,743,864	4,743,864	-
Fully diluted common shares issued and outstanding	135,856,247	135,856,247	200

RECENT ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Classification of liabilities as current or non-current: Amendments to IAS 1.

On January 23, 2020, the IASB issued a narrow-scope amendment to IAS 1 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. They: clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting date and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier application is permitted.

The amendment could affect the classification of liabilities, particularly for previously considered management's intention to determine classification and for some liabilities that can be converted into equity. The Company classifies based on the contractual arrangement in place at the reporting date for the classification, thus, the Company does not expect the amendment to have an impact on its financial statements.

Definition of accounting estimate – Amendments to IAS 8

On February 12, 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of accounting estimate: clarify that they are monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current periods, while changes in accounting estimates are applied prospectively to future transactions and other future events. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start that period. Earlier application is permitted as long as this fact is disclosed.

The Company does not expect the amendments to have an impact to its financial statements.

Disclosure of accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

**MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024**

On February 15, 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and example to help entities apply materiality judgements to accounting policy disclosure. The amendments help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. Since the amendment to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments by re-visiting its accounting policy disclosures to ensure consistency with the amended standard.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

On May 7, 2021, the IASB issued the amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognized as part of the cost of the related assets. The cumulative effect of recognizing these adjustments is recognized in retained earnings, or other component of equity, as appropriate. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early application of the amendments is permitted.

The Company has already accounted for such transactions consistent with the new requirements. The Company will not be affected by the amendments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires that the Company’s management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company’s financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company’s assets and liabilities are as follows:

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and income and expenses during the period. Actual results may differ from these estimates.

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

**MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

(i) *Material estimates*

Allowance for credit losses

The Company must make an assessment of whether trade receivables and holdback receivables are collectible from customers. Accordingly, management establishes an allowance for estimated credit losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

Useful lives or property, plant and equipment

The Company estimates the useful lives of property, plant and equipment by analyzing the internal life of the asset which takes into account actual and expected future usage, physical wear and tear, replacement history and assumptions about the evolution of technology. Changes in these factors may cause the estimated useful lives of these assets to change. When factors indicate that the assets' useful lives are different from the prior assessment, the Company depreciates the remaining carrying value prospectively over the adjusted estimated useful lives. The Company reviews estimates of the useful lives of property, plant and equipment on an annual basis.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as profitability and operations. Extension options (or options after termination options) are only included in the lease term if the lease is reasonably certain to be included (or not terminated). The assessment of the lease term is reviewed if a significant event or significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used, if the interest rate implicit in the lease is not readily determinable, to measure its lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Valuation of contract assets

Contract assets consist of an estimate of the percentage of completion within each performance obligation applied to the contractual value of each component work stream reduced by the profit margin of each component to arrive at the value of the costs to date. On site evaluation as well as daily site reports containing details of raw material, labour, and other costs are used in the estimation process.

Current and deferred taxes

Estimations of current and deferred tax provisions and assets or obligations require assessments to be made based on the potential tax treatment of certain items that will only be resolved once finally agreed with the relevant tax authorities. Assumptions underlying the composition of deferred tax assets and liabilities include estimates of future financial performance and the timing of reversal of temporary differences as well as the tax rates and laws at the time of the expected reversal.

(ii) *Material judgments*

Current and deferred taxes

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

**MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024**

position and what tax rate is expected to be applied in the year when the related temporary differences reverse, particularly in regard to the utilization of tax losses carry forward. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company considers the terms of the contracts, the nature of the transaction, estimated time required on the project, and the specific circumstances of each arrangement. The Company recognizes revenue as it fulfills its performance obligations by transferring control of the promised services to the customer. Judgement involves determining when revenue recognition criteria have been met including when all performance obligation have been fulfilled.

Pensions

The company has a defined benefit plan for employee pensions, and Liuna 183 Union manages the annual required contribution. Liuna is responsible for investing the funded contribution to generate returns that adequately cover employees' retirement benefits.

RISKS AND UNCERTAINTIES

The Company is currently subject to operational, financial, and regulatory risks.

The operational risks include the Company's ability to provide concrete and drain services economically, the Company ability to market its products and services and maintain a demand for them, the Company's ability to hire and retain skilled employees, and the Company's ability to remain competitive in the industry. The Company continuously monitors and responds to changes in these operational risks.

Financial risks include interest rate environment, housing starts and the ability for the Company to generate enough cash from operations.

Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company and include increased fees for filings and the introduction of ever more complex reporting requirements.

FORWARD-LOOKING INFORMATION

The Company's financial statements for the years ended September 30, 2024 and 2023, and this accompanying MD&A, contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations up to the date of the MD&A.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

**MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024**

assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Some of these risks and uncertainties are identified under the heading “RISKS AND UNCERTAINTIES” as disclosed elsewhere in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by securities law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

OUTLOOK

The Company’s business plan is focused on continued sales and profit growth within its current market, as well as the pursuit of a roll-up and diversification driven acquisition strategy to consolidate similar companies operating in the concrete and drain and Stage One construction industry in Ontario. Stage One residential infrastructure includes concrete and drain, low rise forming, water and sewer and other specialties is a multi-billion industry in Ontario that is very fragmented and characterized by numerous small and medium-sized owner-managed businesses.

Within its current operating model, the Company has established distinct and solid competitive advantages within the geographic areas it serves, including:

- strong market recognition;
- scalability and geographic mobility of operations;
- operational practices and methods that are replicable and deliver the highest quality product; and
- reliable, trustworthy and diversified services

Among its peers in the concrete and drain sector, the Company has become a benchmark for excellent operational and financial performance.

The market is highly fragmented and served by numerous small companies that are owner operated and managed. The owners of many of these companies will be seeking exits over the next several years. The Company’s acquisition program has been designed to provide an exit strategy for these owner managers and integrate target companies in a manner that increases the Company’s share of the concrete and drain and stage one infrastructure market through consolidation. Due to its ultra-light capital asset requirements the Company’s core business line can traverse a large geographical span when delivering its concrete and drain services. Aggregate, pipe and concrete are delivered to the job site anywhere in Ontario where the Company’s skilled manpower forms the basements, garages, porches and porch steps.

To achieve its goals, the Company will be acting on the following strategic priorities:

- expanding market share within the concrete and drain market in which the Company operates;
 - continuing to focus on operational efficiency and improved profitability; and
 - rapidly expanding top-line sales and core capabilities such as low-rise forming (basement walls), water-sewer, aggregates, etc.
- amassing and retaining skilled labour crews to support the Company’s growth trajectory

Tactically, these strategic priorities will be achieved by pursuing:

- enhanced sales and relationship management
- risk-adjusted acquisition terms and performance earn-out agreements with owner-managers whose

**URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)**

**MANAGEMENT DISCUSSION & ANALYSIS
for the year ended September 30, 2024**

businesses are acquired by the Company

- enhanced labour retention programs including equity ownership opportunities.

OTHER INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.

SCHEDULE "B"
CHANGE OF AUDITORS MATERIALS



URBAN INFRASTRUCTURE GROUP

URBAN INFRASTRUCTURE GROUP INC.
NOTICE OF CHANGE OF AUDITOR

**To: Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission**

**And To: Buckley Dodds CPA
RSM Canada LLP**

**Re: Notice of Change of Auditor pursuant to Section 4.11 of National Instrument 51-102 -
Continuous Disclosure Obligations (“NI 51-102”)**

Notice is hereby given pursuant to section 4.11 of NI 51-102 of a change of auditor of Urban Infrastructure Group Inc. (the “**Company**”).

1. On November 28, 2024, RSM Canada LLP (the “**Former Auditor**”) provided the Company with a formal resignation as auditor of the Company effective as of November 28, 2024. The Former Auditor resigned on the request of the Company.
2. The Audit Committee of the Company has considered the Former Auditor’s resignation and has recommended that Buckley Dodds CPA (the “**Successor Auditor**”), be appointed to fill in the vacancy created by the resignation of the Former Auditor until the next annual meeting of shareholders of the Company.
3. The Board of Directors of the Company has considered the recommendation of the Audit Committee and has appointed the Successor Auditor as auditor of the Company, effective November 28, 2024.
4. There were no reservations in the Former Auditor’s reports on the financial statements of the Company for:
 - (a) the two most recently completed financial years; or
 - (b) for any period subsequent hereto for which an audit report was issued and preceding the effective date of the resignation of the Former Auditor.
5. In the opinion of the Audit Committee and the Board of Directors of the Corporation, there are no reportable events, as such term is defined in subparagraph 4.11(1) of NI 51-102.
6. The Notice and Letters of the Auditors have been reviewed by the Audit Committee and the Board of Directors.

Dated this 28th day of November, 2024.

Urban Infrastructure Group Inc.

Per: (s) “Ungad Chadda”
Name: Ungad Chadda
Title: Chief Executive Officer

December 2, 2024

To: Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission

Dear Sirs/Mesdames:

**Re: Urban Infrastructure Group Inc. (the "Company")
Notice Pursuant to NI 51 – 102 of Change of Auditor**

We have reviewed the information contained in the Change of Auditor Notice of the Company dated November 28, 2024 (the "Notice"), delivered to us pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*.

Based on our knowledge as of the date hereof, we agree with the statements contained in the Notice. We have no basis to agree or disagree with the comments in the notice relating to RSM Canada LLP.

Yours very truly,



Buckley Dodds CPA
CHARTERED PROFESSIONAL ACCOUNTANTS



RSM Canada LLP

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

rsmcanada.com

December 2, 2024

**To: British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission**

Dear Sirs/Mesdames:

**Re: Urban Infrastructure Group Inc. (the "Company")
Notice of Change of Auditor Pursuant to national Instrument NI 51-102**

In accordance with National Instrument 51-102, we have read the Company's Change of Auditor Notice (the "Notice") dated November 28, 2024 and, based upon our knowledge of the information at this date, we agree with the information contained therein pertaining to our firm. We have no basis to agree or disagree with the comments in the Notice relating to Buckley Dodds CPA.

Yours truly,

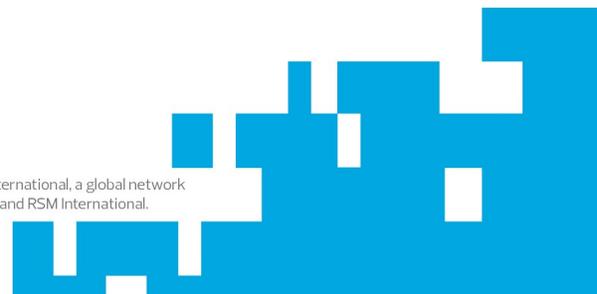
RSM Canada LLP

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario

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SCHEDULE "C"
EQUITY INCENTIVE PLAN

DEAL PRO CAPITAL CORPORATION
(the “Company”)

2023 EQUITY INCENTIVE PLAN

SECTION 1
ESTABLISHMENT AND PURPOSE OF THIS PLAN

The purpose of this equity incentive plan (the “Plan”) is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of Eligible Persons; (ii) encouraging such Eligible Persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company.

SECTION 2
DEFINITIONS

2.1 **Definitions**

As used in this Plan, the following terms shall have the meanings set forth below:

- (a) **“Award”** means any award of Options, RSUs, PSUs or DSUs granted under this Plan;
- (b) **“Award Agreement”** means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (c) **“Blackout Period”** means a period of time during which the Company prohibits Participants from exercising, redeeming or settling an Award due to the existence of undisclosed material information and pursuant to a formal notice provided by the Company under a trading policy, which Blackout Period must expire promptly following general disclosure of the material information;
- (d) **“Board”** means the board of directors of the Company or, if the context permits, any of its Subsidiaries, as applicable;
- (e) **“Change of Control”** means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities (as such terms are interpreted in the *Securities Act*) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a person “acting jointly or in concert” with another person, as that phrase is interpreted in National Instrument 62-103, totals for the first time not less than fifty (50%) percent of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (f) **“Company”** means Deal Pro Capital Corporation, a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors or assigns;
- (g) **“Consultant”** means a Person (other than a Director, Officer or Employee) that:

- (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary of the Company, other than services provided in relation to a distribution (as defined in the *Securities Act*);
- (ii) provides the services under a written contract between the Company or any of its Subsidiaries and the Person, as the case may be; and
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or any of its Subsidiaries;

and includes:

- (iv) for a Person that is an individual, a corporation of which such individual is the sole shareholder;
- (h) **“Deferred Share Unit”** or **“DSU”** means a right to receive on a deferred basis a payment in either Shares or cash as provided in Section 5.4 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
 - (i) **“Determination Date”** means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
 - (j) **“Director”** means a member of the Company’s Board or the Board of any of its Subsidiaries;
 - (k) **“Discounted Market Price”** means the Market Price of the Shares, less a discount of up to 25% if the Market Price is \$0.50 or less; up to 20% if the Market Price is between \$2.00 and \$0.51; and up to 15% if the Market Price is greater than \$2.00;
 - (l) **“Disability”** means a permanent disability rendering a Participant unable to perform his duties for the Company for ninety (90) consecutive days or one hundred eighty (180) days in any twelve (12) month period, which determination shall be made after the period of disability, unless an earlier determination can be made, by an independent physician appointed by the Board;
 - (m) **“Effective Date”** has the meaning ascribed thereto in Section 8;
 - (n) **“Election Form”** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in DSUs under this Plan;
 - (o) **“Eligible Person”**, when used in connection with Options, means Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries but, when used in connection with PSUs, RSUs or DSUs, means only Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries that do not perform Investor Relations Activities;
 - (p) **“Employee”** means an individual who:
 - (i) is considered an employee of the Company or any of its Subsidiaries under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;

- (ii) works full-time for the Company or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company or any of its Subsidiaries over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) works for the Company or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week acceptable to the Exchange, who provides services normally provided by an employee and is subject to the same control and direction by the Company or its Subsidiary over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source;
- (q) **“Exchange”** means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- (r) **“Fees”** means the annual Board retainer, chair fees, meeting attendance fees or any other fees payable to a Director;
- (s) **“Grant Date”** means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- (t) **“Insider”** has the meaning attributed to it in Policy 1.1. of the Exchange;
- (u) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
 - (A) to promote the sale of products or services of the Company; or
 - (B) to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws; or
 - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication; and

- (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange;
- (v) **“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (w) **“Management Company Employee”** means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the Company’s business enterprise;
- (x) **“Market Price”** means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company’s shares before the issuance of the required news release disclosing the grant of Awards (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company’s shares before the Grant Date);
- (y) **“Market Unit Price”** means the value of a Share determined by reference to the five-day volume-weighted average closing price of a Share for the five Trading Day period immediately preceding the relevant date;
- (z) **“Officer”** means an officer (as defined in the Securities Act or, where the Securities Act does not apply, by other applicable securities laws) of the Company or any of its Subsidiaries;
- (aa) **“Option”** means incentive share purchase options entitling the holder thereof to purchase Shares;
- (bb) **“Outstanding Prior Awards”** means any outstanding Options or RSUs granted pursuant to any prior Security-Based Compensation Arrangement of the Company;
- (cc) **“Participant”** means any Eligible Person to whom Awards under this Plan are granted;
- (dd) **“Participant’s Account”** means a notional account maintained for each Participant’s participation in this Plan which will show any RSUs, PSUs and/or DSUs credited to a Participant from time to time;
- (ee) **“Performance-Based Award”** means, collectively or as applicable, Performance Share Units, Restricted Share Units and Deferred Share Units;
- (ff) **“Performance Criteria”** means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of Performance Share Units;
- (gg) **“Performance Cycle”** means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (hh) **“Performance Share Unit”** or **“PSU”** means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, a payment in Shares and/or cash upon

specified vesting criteria being satisfied, all as provided in Section 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;

- (ii) **“Person”** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (jj) **“Restriction Period”** means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months;
- (kk) **“Restricted Share Unit”** or **“RSU”** means a right awarded to a Participant as compensation for employment or consulting services or services as a Director or Officer, to receive for no additional cash consideration, a payment in Shares and/or cash based wholly or in part on appreciation of the trading price of the Shares, all as provided in Section 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (ll) **“Retirement”** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (mm) **“Securities Act”** means the *Securities Act* (British Columbia), as amended, from time to time;
- (nn) **“Security-Based Compensation Arrangement”** shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (oo) **“Shares”** means the common shares of the Company;
- (pp) **“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (qq) **“Termination Date”** means, as applicable:
 - (i) in the event of a Participant’s Retirement, voluntary termination, voluntary resignation or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and
 - (ii) in the event of termination of the Participant’s employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- (rr) **“Trading Day”** means any day on which the Exchange is open for trading; and
- (ss) **“Vesting Date”** means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

SECTION 3 ADMINISTRATION

3.1 Board to Administer Plan

Except as otherwise provided herein, this Plan shall be administered by the Board of the Company (and, for clarity, not by the Board of any subsidiary of the Company) and the Board of the Company shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board of the Company may deem necessary in order to comply with the requirements of this Plan.

3.2 Delegation to Committee

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by such committee as the Board may determine.

3.3 Interpretation

All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.

3.4 No Liability

No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

SECTION 4 SHARES AVAILABLE FOR AWARDS

4.1 Limitations on Shares Available for Issuance

- (a) The aggregate number of Shares issuable under this Plan in respect of Awards, together with all Outstanding Prior Awards, shall not exceed 10% of the Company's total issued and outstanding Shares as at the date of grant or issuance of any security-based compensation, and in accordance with the Policies of the Exchange.
- (b) So long as it may be required by the rules and policies of the Exchange:
 - (i) the total number of Shares issuable to any Participant under this Plan, within any twelve-month period, together with Shares reserved for issuance to such Participant (and to Companies wholly-owned by that Participant) under all of the Company's other Security-Based Compensation Arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares (calculated on the Grant Date);
 - (ii) the total number of Shares issuable to Insiders under this Plan within any twelve month period, together with Shares reserved for issuance to Insiders within any

twelve-month period and at any time under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares (calculated on the Grant Date);

- (iii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, at any point in time, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares (calculated on the Grant Date);
- (iv) the maximum aggregate number of Shares issuable to any one Consultant within any twelve-month period, together with Shares issuable to such Consultant under all of the Company's other Security-Based Compensation Arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve-month period, calculated as at the date of any grant; and
- (v) the maximum aggregate number of Shares issuable pursuant to grants of Options to all Investor Relations Service Providers, together with Shares issuable to all Investor Relations Service Providers under all of the Company's other Security-Based Compensation Arrangements, shall not exceed two percent (2%) of the issued and outstanding Shares in any twelve-month period. For the avoidance of doubt, Investor Relations Service Providers are only eligible to receive Options under this Plan; they are not eligible to receive any Performance-Based Award or other type of security-based compensation under this Plan.

4.2 Accounting for Awards

For purposes of this Section 4:

- (a) if an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
- (b) notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.

4.3 Anti-Dilution

If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may, subject to the prior acceptance by the Exchange in the event of a recapitalization, make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of Options, RSUs, PSUs or DSUs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.

SECTION 5 AWARDS

5.1 Options

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Options to Eligible Persons. Options granted to an Eligible Person shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Option shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.
- (b) Exercise Price - The exercise price of an Option granted under this Plan shall not be less than the Discounted Market Price, provided that if an Option is proposed to be granted after the Company has just been recalled for trading following a suspension or halt, the Company must wait at least ten (10) Trading Days following the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option.
- (c) Expiry Date - Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the Grant Date.
- (d) Different Exercise Periods, Prices and Number - The Board may, in its absolute discretion, upon granting Options under this Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise his option during each respective time period.
- (e) Vesting - Subject to the discretion of the Board, the Options granted to a Participant under this Plan shall vest as determined by the Board on the Grant Date of such Options. If the Board does not specify a vesting schedule on the Grant Date, then Options granted to persons other than those conducting Investor Relations Activities shall vest fully on the Grant Date, and in any event in accordance with the policies of the Exchange. Options issued to Persons conducting Investor Relations Activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that:
 - (i) no more than 1/4 of the Options vest no sooner than three months after the Grant Date;
 - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;
 - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and
 - (iv) the remainder of the Options vest no sooner than 12 months after the Grant Date.
- (f) Change of Control – If the Award Agreement so provides, in the event of a Change of Control, all Options granted to a Participant who ceases to be an Eligible Person shall become fully vested in such Participant and shall become exercisable by the Participant in accordance with the terms of the Award Agreement and Section 5.1(l) hereof. If the Participant provides Investor Relations Activities, no acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance.

- (g) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.1(l) hereof.
- (h) Termination of Participant's Relationship with the Company
- (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Options granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, such that the Participant no longer qualifies as an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however*, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.1(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to qualify as an Eligible Person, or such longer period (not to exceed 12 months) as may be provided for in the Award Agreement.
- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Options under this Plan shall cease as of the Termination Date.
- (i) Disability - Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options; *provided, however*, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however*, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to Disability, had vested pursuant to terms of the applicable Award Agreement, will accrue to the Participant in accordance with Section 5.1(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Termination Date, or such longer period as may be provided for in the Award Agreement.
- (j) Hold Period - In addition to any resale restrictions under applicable legislation or regulation, all Options granted hereunder and all Shares issued on the exercise of such Options will,

if applicable under the policies of the Exchange, be subject to a four-month TSX Venture Exchange hold period from the date the options are granted, and the stock option agreements and the certificates representing such Shares will bear the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date].”

- (k) Notice - Options shall be exercised only in accordance with the terms and conditions of the Award Agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- (l) Payment of Award - Subject to any vesting or other limitations described in each individual Award Agreement, Options may be exercised in whole or in part by the Participant at any time prior to their lapse or termination or, if Section 5.1(g) applies, by the Participant's estate within one year after the death of the Participant, but in such event only as to such number of Shares as have vested prior to the date of the Participant's death. The exercise price of all Options must be paid in cash. Shares purchased by a Participant on exercise of an Option shall be paid for in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice).

5.2 Restricted Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons that do not perform Investor Relations Activities. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.
- (b) Restrictions - Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (c) Vesting - All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. No Restricted Share Units may vest before the date that is one year following the date of the Award.
- (d) Change of Control – If the Award Agreement so provides, in the event of a Change of Control pursuant to which a Participant ceases to be an Eligible Person, all restrictions upon any Restricted Share Units shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5.2(h) hereof.

- (e) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.2(h) hereof, provided that the right of the executors or administrators of such deceased Participant's estate to receive payments or awards pursuant to Section 5.2(h) shall expire on the date which is not more than one (1) year from the Participant's date of death.
- (f) Termination of a Participant's Relationship with the Company
- (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(h) hereof provided that the right of such Participant to receive payments or awards pursuant to Section 5.2(h) shall expire on the date which is not more than one (1) year from the date the Participant ceased to be an Eligible Person..
- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (g) Disability - Where a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units; *provided, however*, that no Restricted Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(h) hereof.

- (h) Payment of Award - As soon as practicable after each Vesting Date of an Award of Restricted Share Units, the Company shall, at the sole discretion of the Board, either:
- (i) issue to the Participant, or if Section 5.2(e) applies, to the Participant's estate, from treasury the number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that have vested and become payable on the Vesting Date; or
 - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Vesting Date of the Restricted Share Units credited to a Participant's Account that have vested and become payable, net of applicable withholdings.

As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued or cash payment made shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

5.3 Performance Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Eligible Persons that do not perform Investor Relations Activities. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement. No Performance Share Units may vest before the date that is one year following the date of the Award.
- (b) Performance Criteria - The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the Performance Criteria unfair unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.
- (c) Vesting - All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date. No Performance Share Units may vest before the date that is one year following the date of the Award.
- (d) Change of Control - If the Award Agreement so provides, in the event of a Change of Control pursuant to which a Participant ceases to be an Eligible Person, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Section 5.3(h) hereof.

- (e) Death - Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof provided that the right of the executors or administrators of such deceased Participant's estate to receive payments or awards pursuant to Section 5.3(h) shall expire on the date which is not more than one (1) year from the Participant's date of death.
- (f) Termination of a Participant's Relationship with the Company
- (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Performance Share Units granted to the Participant which, prior to the Participant's termination, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof, provided that the right of such Participant to receive payments or awards pursuant to Section 5.3(h) shall expire on the date which is not more than one (1) year from the date the Participant ceased to be an Eligible Person.
- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.
- (g) Disability - Where a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units; *provided, however*, that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date; *provided, however*, that the Board

may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.

- (h) Payment of Award - Payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety-five (95) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made, at the sole discretion of the Board, either:
- (i) by issuing the number of Shares equal to the number of Performance Share Units credited to the Participant's Account that have vested on the Determination Date, such Shares to be issued from treasury of the Company to the Participant, or if Section 5.3(e) applies, to the Participant's estate; or
 - (ii) by making a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Determination Date of the Performance Share Units credited to a Participant's Account that have vested, net of applicable withholdings.

As of the Vesting Date, the Performance Share Units in respect of which such Shares are issued or cash payment made shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Performance Share Units.

5.4 Deferred Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors that do not perform Investor Relations Activities in lieu of Fees or to other Eligible Persons that do not perform Investor Relations Activities as compensation for employment or consulting services. Deferred Share Units granted to a Participant in accordance with Section 5.4 hereof shall be credited, as of the Grant Date, to the Participant's Account. The number of Deferred Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan and shall be specified in the applicable Award Agreement.
- (b) Election - Each Director may elect to receive any or all of his or her Fees in Deferred Share Units under this Plan. Elections by Directors regarding the amount of their Fees that they wish to receive in Deferred Share Units shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a Director during a calendar year and wishes to receive an amount of his or her Fees for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.
- (c) Calculation of Deferred Share Units Granted in Lieu of Fees - The number of Deferred Share Units to be credited to a Participant's Account where the Participant is a Director who has elected to receive Deferred Share Units in lieu of Fees shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Unit Price on the Grant Date (or such other price as required under Exchange policies) which shall be the 10th business day following each financial quarter end. If, as a result of the foregoing calculation, a Participant that is a Director shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.

- (d) Vesting - No Deferred Share Units may vest before the date that is one year following the date of the Award.
- (e) Payment of Award - Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an Eligible Person for any reason, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an Eligible Person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an Eligible Person, at the sole discretion of the Board, either:
 - (i) that number of Shares equal to the number of vested Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company; or
 - (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be an Eligible Person of the vested Deferred Share Units credited to a Participant's Account, net of applicable withholdings , provided that the right of such Participant to receive payments or awards pursuant to this Section 5.4(e) shall expire on the date which is not more than one (1) year from the date the Participant ceased to be an Eligible Person..
- (f) Exception - In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Deferred Share Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (f) Death - Upon death of a Participant holding Deferred Share Units that have vested, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5.4(d) hereof to the Participant upon such Participant ceasing to be an Eligible Person provided that the right of the executors or administrators of such deceased Participant's estate to receive payments or awards pursuant to Section 5.4(e) shall expire on the date which is not more than one (1) year from the Participant's date of death.

5.5 General Terms Applicable to Awards

- (a) Forfeiture Events - The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of a relationship for cause, violation of material Company policies, fraud, breach of non-competition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.

- (b) Awards May be Granted Separately or Together - Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (c) Non-Transferability of Awards - No Award and no right under any such Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the Policies of the Exchange. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.
- (d) Conditions and Restrictions Upon Securities Subject to Awards - The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation:
- (i) restrictions under an insider trading policy or pursuant to applicable law;
 - (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; and
 - (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers.
- (e) Blackout Periods – In the event that the date provided for expiration, redemption or settlement of an Award falls within a Blackout Period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed Material Information, the expiry date, redemption date or settlement date, as applicable, of the Award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the Blackout Period. Notwithstanding the foregoing, there will be no extension of any Award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).
- (f) Share Certificates - All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (g) Conformity to Plan - In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted to become, in all respects, in conformity with this Plan.

- (h) Deductions - Whenever cash is to be paid in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by delivering (on a form prescribed by the Company and in any event in accordance with the Policies of the Exchange) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (i) Evergreen Plan - Shares that were the subject of any Award made under this Plan that has been settled in cash, or that has been cancelled, terminated, surrendered, forfeited or has expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under this Plan.

5.6 General Terms Applicable to Performance-Based Awards

- (a) Performance Evaluation; Adjustment of Goals - At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, shall specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be:
 - (i) judgments entered or settlements reached in litigation;
 - (ii) the write-down of assets;
 - (iii) the impact of any reorganization or restructuring;
 - (iv) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results;
 - (v) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year;
 - (vi) the impact of any mergers, acquisitions, spin-offs or other divestitures; and
 - (vii) foreign exchange gains and losses.
- (b) Adjustment of Performance-Based Awards - The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance

Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

SECTION 6 AMENDMENT AND TERMINATION

6.1 Amendments and Termination of this Plan

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to:

- (a) any required disinterested shareholder approval to (i) reduce the exercise price of an Award issued to an Insider or (ii) extend the term of an Option granted to an Insider, in either event in accordance with the policies of the Exchange while the Shares are listed on the Exchange;
- (b) any required approval of any applicable regulatory authority or the Exchange; and
- (c) any approval of shareholders of the Company as required by the rules of the Exchange (or otherwise required by the Exchange) or applicable law, provided that shareholder approval shall not be required (except that the Exchange may require approval of the shareholders for amendments pursuant to Sections 6.1(c)(iii) to 6.1(c)(vii)) for any of the following:
 - (i) amendments of a “housekeeping nature”;
 - (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
 - (iii) amendments which are necessary to comply with applicable law or the requirements of the Exchange;
 - (iv) amendments respecting administration and eligibility for participation under this Plan;
 - (v) amendments to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including amendments to the vesting provisions and terms of any Awards;
 - (vi) with the exception of Options granted to any Investor Relations Service Provider, amendments which alter, extend or accelerate the terms of vesting applicable to any Awards; and
 - (vii) changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

If this Plan is terminated, prior Awards shall remain outstanding and in effect in accordance with their applicable terms and conditions.

6.2 Amendments to Awards

The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without

such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either:

- (a) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of Policy of the Exchange or any accounting standard; or
- (b) is not reasonably likely to significantly diminish the benefits provided under such Award.

SECTION 7 GENERAL PROVISIONS

7.1 No Rights to Awards

No Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award. There is no obligation for uniformity of treatment of Eligible Persons or Participants or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each Participant. The Company and each Eligible Person qualifying for an Award are and shall be responsible for ensuring and confirming that each recipient of an Award is a bona fide Eligible Person that qualifies to receive the applicable Award.

7.2 Withholding

The Company shall be authorized to withhold any payment due under any Award or under this Plan until the Participant has paid or made arrangements for the payment of the amount of any withholding taxes due in respect of an Award, its exercise, or any payment under such Award or under this Plan.

7.3 No Limit on Other Security-Based Compensation Arrangements

Nothing contained in this Plan shall prevent the Company or a Subsidiary from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

7.4 No Right to Employment

The grant of an Award shall neither constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company, or to any other relationship with the Company. Further, the Company may at any time dismiss a Participant, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in an applicable Award Agreement.

7.5 No Right as Shareholder

Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Options, RSUs, PSUs and/or DSUs until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

7.6 Governing Law

This Plan and all of the rights and obligations arising hereunder shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

7.7 Severability

If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.

7.8 No Trust or Fund Created

Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.

7.9 No Fractional Shares

No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.

7.10 Headings

Headings are given to the Sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

7.11 No Representation or Warranty

The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.

7.12 No Representations or Covenant with Respect to Tax Qualification

Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.

7.13 Conflict with Award Agreement

In the event of any inconsistency or conflict between the Policies of the Exchange, this Plan and an Award Agreement, the Policies of the Exchange shall govern for all purposes. In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.

7.14 Compliance with Laws

The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, as well as the Policies of the Exchange as in effect from time-to-time, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

- (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

SECTION 8 EFFECTIVE DATE OF THIS PLAN

8.1 Effective Date

This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Board.

SECTION 9 TERM OF THIS PLAN

9.1 Term

This Plan shall terminate automatically 10 years after the Effective Date and may be terminated on any earlier date as provided in Section 6 hereof.

**SCHEDULE “D”
ADVANCE NOTICE POLICY**

URBAN INFRASTRUCTURE GROUP INC.

ADVANCE NOTICE POLICY

**ARTICLE 1
INTRODUCTION**

- 1.1 Urban Infrastructure Group Inc. and its subsidiaries (collectively the “**Corporation**”) are committed to facilitating orderly and efficient annual general and/or special meetings, ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees and allowing shareholders to register an informed vote.
- 1.2 The purpose of this Advance Notice Policy (the “**Policy**”) is to establish a process that provides shareholders, directors, and management of the Corporation with direction on the nomination of directors. This Policy is the framework by which the Corporation seeks to fix a deadline by which holders of record of subordinate voting shares and multiple voting shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.
- 1.3 It is the position of the Corporation that this Policy is in the best interest of the Corporation and is beneficial to the shareholders and other stakeholders. This Policy will be subject to an annual review and will reflect changes as required by securities regulatory agencies or stock exchanges, or to meet industry standards

**ARTICLE 2
NOMINATIONS OF DIRECTORS**

- 2.1 Nominations of persons for election to the Board may be made at any annual meeting of shareholders of the Corporation, or at any special meeting of shareholders of the Corporation if one of the purposes for which the special meeting is called is the election of directors. Only persons who are qualified to act as directors under the *Business Corporations Act* (Ontario) (the “**Act**”) and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. At any such annual or special meeting of shareholders of the Corporation, nominations of persons for election to the Board may be made only:
- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a valid made in accordance with Section 99 of the Act; (
 - (c) pursuant to a requisition of the shareholders that complies with and is made in accordance of the Act, as such provisions may be amended from time to time; or
 - (d) by any person (a “**Nominating Shareholder**”): (i) who, at the close of business on the Notice Date (as defined below) and on the record date for notice at such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below in this Policy.
- 2.2 In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation in accordance with the provisions of this Policy.
- 2.3 To be timely, a Nominating Shareholder’s notice to the Corporate Secretary must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 days nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that if the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement (as defined in section 3.1(c)) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made

2.4 To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Corporation must set forth:

- (a) for each person who the Nominating Shareholder proposes to nominate for election as a director (each a “**Proposed Nominee**”), the following:
 - (i) the name, age, province and country of residence of the person;
 - (ii) the principal occupation or employment of the person for the past five years;
 - (iii) the class or series and number of shares in the capital of the Corporation which are directly or indirectly controlled or which are directly or indirectly owned beneficially or of record by the Proposed Nominee and his or her associates or affiliates as of the record date for the meeting of the shareholders (if such date shall have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iv) full particulars regarding any contract, agreement, arrangement, understanding or relationship (collectively, “**Arrangements**”), including without limitation, financial, compensation and indemnity related Arrangements between the Proposed Nominee or any associate or affiliate of the Proposed Nominee and any Nominating Shareholder or any of its Representatives (defined below); and
 - (v) any other information relating to the Proposed Nominee or his or her associates or affiliates that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.
- (b) for each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made, the following:
 - (i) the name of the person;
 - (ii) the class or series and number of shares in the capital of the Corporation which are directly or indirectly controlled or which are directly or indirectly owned beneficially or of record by such person as of the record date of the meeting of the shareholders (if such date shall have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iii) full particulars regarding (A) any proxy or other Arrangement pursuant to which such person or any of its Representatives has a right to vote or direct the voting of any shares of the Corporation, and (B) any other Arrangement of such person or any of its Representatives relating to the voting of any shares of the Corporation or the nomination of any person(s) to the Board; and
 - (iv) any other information relating to such person or any of its Representatives that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws

- 2.5 All information to be provided in a timely notice, pursuant to 2.3 above, shall be provided as of the date of such notice. If requested by the Corporation, the Nominating Shareholder shall update such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days prior to the date of the meeting, or any adjournment or postponement thereof.
- 2.6 For greater certainty, 2.1 above, shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- 2.7 Notwithstanding any other provision of this Policy, notice or other document or information required to be given to the Corporate Secretary of the Corporation pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day in the province where the principal executive offices of the Corporation are located (a "Business Day") or later than 5:00 p.m. (Vancouver time) on a day which is a Business Day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a Business Day.
- 2.8 Notwithstanding the foregoing, the Board may, in its sole discretion, waive all or any requirement in this Policy.
- 2.9 The chair of any meeting of shareholders of the Corporation shall have the power to determine whether any proposed nomination is made in accordance with this Policy, and if any proposed nomination is not in compliance with the provisions of the Policy, the chair must declare that such defective nomination shall not be considered at any meeting of shareholders.
- 2.10 Nothing in this Policy shall obligate the Corporation or the Board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Corporation or the Board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.

ARTICLE 3 DEFINITIONS

- 3.1 For purposes of this Policy:
- (a) *Applicable Securities Laws* means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;
- (b) *beneficially owns or beneficially owned* means, in means, in connection with the ownership of shares in the capital of the Corporation by a person, (i) any such shares as to which such person or any of such person's Affiliates (as defined in the Act) owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding

whether or not in writing; (ii) such shares as to which such person or any of such person's Affiliates (as defined in the Act) has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; and (iii) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities;

- (c) *public announcement* means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
- (d) *Representatives of a person* mean the affiliates and associates of such person, all persons acting jointly or in concert with any of the foregoing, and the affiliates and associates of any of such persons acting jointly or in concert, and Representative means any one of them.

ARTICLE 4 EFFECTIVE DATE

- 4.1 This Policy was implemented by the Board on March, 2025.

**SCHEDULE “E”
AUDIT COMMITTEE CHARTER**

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Urban Infrastructure Group Inc. (the “**Company**”). The role of the Committee is to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's Shareholders.

Duties and Responsibilities

External Auditor

To recommend to the Board, for Shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the Shareholders.

- (a) To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (b) To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- (c) To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- (d) To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- (e) To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
 - (i) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
 - (ii) No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
 - (iii) The Chief Financial Officer (“**CFO**”) must approve all office hires from the external auditor; and
 - (iv) The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
- (f) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;

- (g) To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.\

Financial Information and Reporting

- (a) To review the Company's annual audited financial statements with the Chief Executive Officer (“CEO”) and CFO and then the full Board. The Committee will review the interim financial statements with the CEO and CFO.
- (b) To review and discuss with management and the external auditor, as appropriate:
 - (i) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
 - (ii) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
- (c) To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- (d) To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

- (a) To review the internal audit staff functions, including:
 - (i) The purpose, authority and organizational reporting lines;
 - (ii) The annual audit plan, budget and staffing; and
 - (iii) The appointment and compensation of the controller, if any.
- (b) To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- (c) To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
- (d) To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- (e) In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

Membership

- (a) The Committee shall consist solely of three or more members of the Board, the majority of which the Board has determined has no material relationship with the Company and is otherwise “unrelated” or “independent” as required under applicable securities rules or applicable stock exchange rules.

- (b) Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of Shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- (c) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- (d) All members of the Committee must be “financially literate” (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).
Procedures
- (a) The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the “**Chair**”). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- (b) The Chair will appoint a secretary (the “**Secretary**”) who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- (c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum and provided that a majority of the members must be "independent" or "unrelated".
- (d) The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- (e) The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.
- (f) The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.
- (g) The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.
- (h) The Committee has the authority to communicate directly with the internal and external auditors.

Reports

The Committee shall produce the following reports and provide them to the Board:

- (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
- (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.