

COMPOSITE ALLIANCE GROUP INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD
ON TUESDAY, JULY 13, 2021**

AND

MANAGEMENT INFORMATION CIRCULAR DATED JUNE 15, 2021

COMPOSITE ALLIANCE GROUP INC.
Suite 1600, 333 - 7th Avenue SW
Calgary, Alberta T2P 2Z1

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of Composite Alliance Group Inc. (the "**Corporation**") will be held at the offices of Burstall LLP, Suite 1600, Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1, at 9:00 a.m. (Mountain time), on Tuesday, July 13, 2021, for the following purposes:

1. To receive and consider the financial statements of the Corporation for the financial years ended December 31, 2019 and 2020, together with the auditors' reports thereon;
2. To fix the number of directors to be elected at the Meeting at six (6);
3. To elect directors of the Corporation for the ensuing year;
4. To appoint auditors and to authorize the directors of the Corporation to fix their remuneration;
5. To consider and, if thought fit, to pass an ordinary resolution set out in the Information Circular accompanying this Notice of Meeting approving the stock option plan of the Corporation; and
6. To transact such other business as may properly be brought before the Meeting.

Information relating to the matters to be dealt with at the Meeting is set forth in the Information Circular which accompanies this Notice of Meeting.

IMPORTANT

In order to protect the health and safety of Shareholders and the broader community, only registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting and the Meeting will otherwise be conducted in accordance with the requirements of any applicable provincial or federal public health directives. The Corporation strongly encourages Shareholders to vote by proxy in advance of the Meeting and to not attend the Meeting in person. Shareholders and others who might otherwise attend the Meeting in person may instead listen to the Meeting in real-time by calling 1-844-511-2074, Access Code: 288-213-339.

As COVID-19 is an evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning, postponing or changing the format of the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation's SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

If you are a registered Shareholder, please complete and submit the enclosed form of proxy or other appropriate form of proxy. Completed forms of proxy must be delivered either by fax to Olympia Trust Company at 403-668-8307, by email at proxy@olympiustrust.com, by web voting at <https://css.olympiustrust.com/pxlogin>, or by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta, T2P 2H6 not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof.

If you are not a registered Shareholder, please complete the voting instruction form from your intermediary/broker and follow the instructions set out under "Advice to Beneficial Shareholders" in the Information Circular.

DATED at Calgary, Alberta, as of the 15th day of June, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS
OF COMPOSITE ALLIANCE GROUP INC.**

"Yu-Chung (Jim) Hsieh"

Yu-Chung (Jim) Hsieh,
President and Chief Executive Officer

COMPOSITE ALLIANCE GROUP INC.
Suite 1600, 333 - 7th Avenue SW
Calgary, Alberta T2P 2Z1

MANAGEMENT INFORMATION CIRCULAR

**Annual General and Special Meeting of Shareholders
to be held on July 13, 2021**

GENERAL PROXY INFORMATION

Purpose of Solicitation

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF THE CORPORATION FOR USE AT THE ANNUAL GENERAL AND SPECIAL MEETING TO BE HELD ON TUESDAY, JULY 13, 2021, AT 9:00 A.M., MOUNTAIN TIME, AT THE OFFICES OF BURSTALL LLP, SUITE 1600, DOME TOWER, 333 – 7TH AVENUE S.W., CALGARY, ALBERTA T2P 2Z1, AND AT ANY ADJOURNMENT THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING.

In order to protect the health and safety of Shareholders and the broader community, only registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting and the Meeting will otherwise be conducted in accordance with the requirements of any applicable provincial or federal public health directives. The Corporation strongly encourages Shareholders to vote by proxy in advance of the Meeting and to not attend the Meeting in person. Shareholders and others who might otherwise attend the Meeting in person may instead listen to the Meeting in real-time by calling 1-844-511-2074, Access Code: 288-213-339.

As COVID-19 is an evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning, postponing or changing the format of the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation's SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors or officers of the Corporation. Arrangements will also be made with brokerage houses and other custodians, nominees, and fiduciaries to forward proxy solicitation material to the beneficial owners of the Common Shares pursuant to the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"). The cost of any such solicitation will be borne by the Corporation.

Voting of Proxies

All Common Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES OF THE CORPORATION, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES OF THE CORPORATION, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, THE CORPORATION IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THE MANAGEMENT DESIGNEES OF THE CORPORATION INTEND TO VOTE IN ACCORDANCE WITH THE DISCRETION OF SUCH MANAGEMENT DESIGNEES.

Proxies representing Common Shares, to be valid, must be completed and delivered either by fax to Olympia Trust Company at 403-668-8307, by email at proxy@olympiustrust.com, by web voting at <https://css.olympiustrust.com/pxlogin>, or by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6, not less than 48 hours, excluding Saturdays, Sundays, and statutory holidays in the Province of Alberta, preceding the Meeting or any adjournment thereof.

Appointment of Proxy

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION) OTHER THAN RON LOVE AND DALE BURSTALL, THE MANAGEMENT DESIGNEES OF THE CORPORATION, TO ATTEND AND ACT FOR HIM OR HER AT THE MEETING. Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy for Common Shares with the registrar and transfer agent of the Corporation, either by fax to Olympia Trust Company at 403-668-8307, by email at proxy@olympiustrust.com, by web voting at <https://css.olympiustrust.com/pxlogin>, or by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6, not less than 48 hours, excluding Saturdays, Sundays, and statutory holidays in the Province of Alberta, preceding the Meeting or any adjournment of the Meeting.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A Shareholder may revoke a proxy by depositing an instrument in writing, executed by him or her or his or her attorney, or, if the Shareholder is a corporation, executed by a director, officer or attorney, authorized in writing:

- (a) if a holder of Common Shares, at the offices of the registrar and transfer agent of the Corporation, either by fax to Olympia Trust Company at 403-668-8307, by email at proxy@olympiustrust.com, by web voting at <https://css.olympiustrust.com/pxlogin>, or by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6, at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting at which the proxy is to be used;
- (b) at the registered office of the Corporation, Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or
- (c) with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his or her shares.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate Person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Services ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge or to call their toll free telephone number to vote their shares or access their web site www.proxyvotecanada.com to deliver voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge in advance of the Meeting in order to have their shares voted at such meeting. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners. Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "OBOs".

Pursuant to NI 54-101, the Corporation has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to all Beneficial Shareholders. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

The Corporation will not be paying for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's intermediary assumes the costs of delivery.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting the Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of such meeting.**

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, without nominal or par value, of which as at the date hereof, 110,233,610 Common Shares are issued and outstanding.

The holders of Common Shares of record at the close of business on the record date, set by the directors of the Corporation to be June 8, 2021, are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held, except to the extent that:

- (a) such person transfers his or her shares after the record date; and
- (b) the transferee of those shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the shares;

and makes a demand to Olympia Trust Company or the Corporation, not later than 10 days before the Meeting, that his or her name be included on the Shareholders' list.

The by-laws of the Corporation provide that two (2) persons present and representing in person or by proxy not less than ten percent (10%) of the issued shares entitled to vote at the Meeting constitute a quorum for the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at the date hereof, the only person who beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights of the outstanding Common Shares is as follows:

| Name and Municipality of Residence | Type of Ownership | Number of Common Shares Beneficially Owned ⁽¹⁾ | Percentage of Common Shares Currently Outstanding |
|--|---------------------|---|---|
| Sicheng Zhang St. Julian's, Malta | Direct and Indirect | 47,705,062 ⁽²⁾ | 43.3% |
| Serge Luquain Saint Germain Lembron, France | Direct and Indirect | 37,961,134 ⁽³⁾ | 34.4% |

Notes:

- (1) The information as to Common Shares beneficially owned, as applicable, not being within the knowledge of the Corporation, has been furnished by the holders.
- (2) 41,904,117 of these Commons Shares are held indirectly through Malchemy Corporation Limited, a corporation controlled by Mr. Zhang. Does not include Common Shares that may be issued pursuant to the conversion or exercise of convertible securities.

- (3) 37,960,189 of these Commons Shares are held indirectly through SPV Finances, a corporation controlled by Mr. Luquain. Does not include Common Shares that may be issued pursuant to the conversion or exercise of convertible securities.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the directors of the Corporation, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting relating to: (i) the receipt of the financial statements of the Corporation and the auditors' reports thereon; (ii) fixing the number of directors; (iii) the election of directors; (iv) the appointment of auditors of the Corporation; (v) the approval of the Stock Option Plan (as hereinafter defined); and (vi) such other business as may be properly transacted at the Meeting.

1. Receipt of Financial Statements

The directors will place before the Meeting the audited financial statements of the Corporation for the years ended December 31, 2019 and 2020 together with the auditors' reports thereon. Shareholder approval is not required in relation to these financial statements.

2. Fixing Number of Directors

It is proposed that six (6) directors be elected to hold office on the board of directors of the Corporation (the "**Board**") for the next ensuing year, subject to the provisions of the articles of the Corporation relating to subsequent appointments by the Board. Management of the Corporation therefore intends to place before the Meeting, for approval, with or without modification, a resolution fixing the number of directors to be elected until the next annual meeting of Shareholders, subject to the articles of the Corporation relating to subsequent appointments by the Board, at six (6) members. **In the absence of contrary directions, the management designees of the Corporation intend to vote proxies in favour of the ordinary resolution fixing the number of directors to be elected at six (6).**

3. Election of Directors

The Board presently consists of six (6) directors, all of whom are elected annually. It is proposed that the persons named below will be nominated for election as directors at the Meeting. **It is the intention of the management designees of the Corporation, if named as proxy, to vote for the election of said persons to the Board, as applicable. Management does not contemplate that any of such nominees will be unable to serve as directors. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation.

The Board has adopted an individual voting standard for the election of directors at the Meeting. Under the individual voting standard, in the event that a nominee for director receives a greater number of votes "withheld" than votes "for" his election as a director, the Board shall consider the circumstances of such vote, the particular attributes of the director nominee including his knowledge, experience and contribution at Board meetings and make whatever determination the Board deems appropriate, including without limitation, requesting such director to resign at an appropriate time and advise Shareholders of the Board's decision in that regard. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected. The Board may fill any vacancy created by any such resignation or determine to leave the resulting vacancy unfilled.

Shareholders should note that, as a result of the majority voting policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

The following information relating to the nominees as directors is based on information received by the Corporation from said nominees.

| Name and Municipality of Residence | Principal Occupation for Last Five Years | Director Since | Common Shares and Percentage Beneficially Owned or Controlled⁽¹⁾ |
|---|--|-----------------------|--|
| Yu-Chung (Jim) Hsieh ⁽²⁾ Taichung, Taiwan | Chief Executive Officer of K Plus Capital LLC, a boutique corporate finance firm that specializes in cross border M&A transactions and strategic and investment advisory services, since 2007. | October 26, 2017 | 1,807,988 ⁽⁴⁾ 1.64% |
| Sicheng Zhang St. Julian's, Malta | President of Sino Composite Co. Ltd., a distributor of composite materials in China, since 1992. | October 26, 2017 | 47,705,062 ⁽⁵⁾ 43.28% |
| Serge Luquain Saint Germain Lembron, France | Director and Chief Executive Officer of Techni Modul Engineering S.A. since 2008. | January 24, 2019 | 37,961,134 ⁽⁶⁾ 34.44% |
| V. E. Dale Burstall ⁽³⁾ Calgary, Alberta | Partner of the law firm Burstall LLP since 1994. | March 25, 2015 | 10,000 0.01% |
| JianYong (Bill) Cui ⁽²⁾⁽³⁾ Calgary, Alberta | General Manager of Sales of Annie Choice International Ltd., a jewelry and clothing retailer, since 2008. | January 24, 2019 | Nil 0.00% |
| Ron Love ⁽²⁾⁽³⁾ Calgary, Alberta | Chief Financial Officer of GetAssist Inc., a small business networking company, since 2018 and part-time Chief Financial Officer for Voyageur Pharmaceuticals Ltd., a company focused on development of barite and iodine API minerals, since February 2020. Prior thereto, Chief Financial Office of Six Safety Systems Inc., a private company developing fatigue detection systems from 2016 to 2018, Chief Financial Officer of Clarocity Corporation (formerly Zaiio Corporation), a technology company focused in the real estate market, from 2015 to 2016 and Executive Vice President and Chief Financial Officer of Karnalyte Resources Inc., a start-up potash mining company, from 2010 to 2015. | January 24, 2019 | Nil 0.00% |

Notes:

- (1) The information as to Common Shares beneficially owned, as applicable, not being within the knowledge of the Corporation, has been furnished by the holders.
- (2) Member of the Audit Committee, of which Mr. Love is the Chairman.
- (3) Member of the Compensation and Corporate Governance Committee, of which Mr. Burstall is the Chairman.
- (4) 1,807,043 of these Common Shares are held indirectly through K Plus Capital LLC, a corporation controlled by Mr. Hsieh.
- (5) 41,904,117 of these Common Shares are held indirectly through Malchemy Corporation Limited, a corporation controlled by Mr. Zhang.
- (6) 37,960,189 of these Common Shares are held indirectly through SPV Finances, a corporation controlled by Mr. Luquain.

The directors of the Corporation, as a group, currently control 87,484,184 Common Shares, representing 79.36% of the outstanding Common Shares.

Cease Trade Orders

Other than as disclosed below or elsewhere in this Information Circular, no proposed director of the Corporation is, as of the date hereof or has been, within the past ten years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company, being the subject of a cease trade order or similar order or an order that denied the company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days.

On or about April 2, 2014, the Alberta Securities Commission cease traded QSolar Limited ("**QSolar**") based on the fact that the entire board of directors and all of the executive officers resigned and QSolar discontinued operations. Pursuant to a court order dated on or about April 17, 2015, Mr. Burstall, along with three other individuals, were appointed directors of QSolar in order to try to preserve the assets of QSolar. Mr. Burstall resigned as a director of QSolar effective June 18, 2015. Mr. Burstall is a director of the Corporation since March 25, 2015. On May 5, 2016, the Alberta Securities Commission and other securities commissions cease traded the Corporation for failing to file annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2015 and subsequent periods. On September 27, 2017, the Alberta Securities Commission and other securities commissions revoked the Corporation's cease trade order.

Bankruptcy

No proposed director of the Corporation is, as of the date hereof, or has been within the past ten years, a director or executive officer of a company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcy

No proposed director of the Corporation has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties and Sanctions

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

4. Appointment of Auditor

The current auditors of the Corporation are RSM Alberta LLP. RSM Alberta LLP were first appointed auditors of the Corporation effective January 24, 2019.

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to appoint the firm of RSM Alberta LLP to serve as auditors of the Corporation until the next

annual meeting of the Shareholders or until a successor is appointed, and to authorize the directors to fix their remuneration.

5. Approval of Stock Option Plan

The TSX Venture Exchange ("**TSX Venture**") requires that all listed companies with a 10% rolling stock option plan 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 current stock option plan of the Corporation (the "**Stock Option Plan**") which was previously approved by Shareholders on April 24, 2020. The Stock Option Plan is described below and the full text of which is set out and attached hereto as Schedule A.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. The Stock Option Plan permits the Board to grant up to ten (10%) percent of the issued number of Common Shares outstanding at the date of the stock option grant, as permitted by the policies of the TSX Venture. As at the date hereof, there are 11,023,361 Common Shares available under the Stock Option Plan. As of the date hereof, 2,400,000 options are outstanding under the Stock Option Plan.

Unless disinterested Shareholder approval is obtained, the number of Common Shares reserved for issuance to any one person (other than consultants and employees performing investor relations activities) may not exceed five (5%) percent of the outstanding Common Shares. The number of Common Shares reserved for issuance to consultants and employees performing investor relations activities may not exceed two (2%) percent of the outstanding Common Shares. The Board determines the price per Common Share and the number of Common Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the TSX Venture. The price per Common Share set by the Board is subject to minimum pricing restrictions set by the TSX Venture.

Options may be exercisable for up to five years from the date of grant, but the Board has the discretion to grant options that are exercisable for a shorter period. Options under the Stock Option Plan are not transferable or assignable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the option shall be limited to the number of Common Shares purchasable by the holder immediately prior to the time of his or her cessation of office or employment and the holder shall have no right to purchase any other Common Shares. Pursuant to the Stock Option Plan, options may be exercised 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The foregoing summary of the Stock Option Plan is qualified in its entirety by the full-text of the Stock Option Plan, which is attached hereto as Schedule A. Shareholders are encouraged to read the full-text of the Stock Option Plan.

At the Meeting, the Shareholders will be asked to approve the following resolution:

"BE IT RESOLVED THAT:

1. The Stock Option Plan, substantially in the form set out as Schedule A to the Information Circular dated June 15, 2021 be and the same is hereby affirmed, ratified and approved until the next annual meeting of shareholders of the Corporation with such modifications as may be required by the TSX Venture Exchange;

2. Any one director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing; and
3. The directors of the Corporation may revoke this resolution before it is acted upon without further approval of the shareholders, if they consider it in the best interests of the Corporation to do so."

The foregoing resolution must be passed by a majority of the votes cast by the Shareholders who vote on the resolution at the Meeting. If the Stock Option Plan is not ratified by the Shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees, consultants and other personnel. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this section, a "CEO" or "CFO" means each individual who served as Chief Executive Officer or Chief Financial Officer, respectively, of the Corporation or performed functions similar to a Chief Executive Officer or Chief Financial Officer, respectively, during any part of the most recently completed financial year (being December 31, 2020). A "Named Executive Officer" or "NEO" means: (a) each CEO; (b) each CFO; (c) the most highly compensated executive officer, other than the CEO and CFO, at the end of the most recently completed financial year (being December 31, 2020) whose total compensation (comprised of any salary, consulting fee, retainer or commission, any bonus, any committee or meeting fees, and the value of any perquisites) was more than \$150,000 for that financial year; and (c) each individual for whom (c) would be applicable, but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

Summary Compensation Table

The following table sets forth the compensation paid to the Corporation's Named Executive Officers and directors for the Corporation's financial years ended December 31, 2020 and December 31, 2019:

Table of compensation excluding compensation securities

| Name and position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total Compensation (\$) |
|--|------|--|---------------|---|---------------------------------|---|-------------------------------|
| Yu-Chung (Jim) Hsieh ⁽¹⁾ <i>President, Chief Executive Officer and Director</i> | 2020 | 84,000 | Nil | Nil | Nil | Nil | 84,000 |
| | 2019 | 70,000 | Nil | Nil | Nil | Nil | 70,000 |
| James G. Louie ⁽²⁾ <i>Former President, Chief Executive Officer and Director</i> | 2020 | N/A | N/A | N/A | N/A | N/A | N/A |
| | 2019 | Nil | Nil | Nil | Nil | Nil | Nil |
| Debbie Chien <i>Chief Financial Officer</i> | 2020 | 75,600 | Nil | Nil | Nil | Nil | 75,600 |
| | 2019 | 63,000 | Nil | Nil | Nil | Nil | 63,000 |
| Sicheng Zhang ⁽³⁾ <i>Chairman of the Board and Director</i> | 2020 | Nil | Nil | 3,500 | Nil | Nil | 3,500 |
| | 2019 | Nil | Nil | 3,500 | Nil | Nil | 3,500 |
| V. E. Dale Burstall ⁽⁴⁾ <i>Secretary and Director</i> | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2019 | Nil | Nil | Nil | Nil | Nil | Nil |

Table of compensation excluding compensation securities

| Name and position | Year | Salary, consulting fee, retainer or commission | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total Compensation (\$) |
|--------------------------------------|------|--|---------------|---|---------------------------------|---|-------------------------------|
| | | (\$) | | | | | |
| Serge Luquain ⁽⁵⁾ | 2020 | 168,128 ⁽⁶⁾ | Nil | Nil | Nil | Nil | 168,128 ⁽⁶⁾ |
| Chief Technical Officer and Director | 2019 | 155,200 ⁽⁶⁾ | Nil | Nil | Nil | Nil | 155,200 ⁽⁶⁾ |
| JianYong (Bill) Cui ⁽⁷⁾ | 2020 | Nil | Nil | 3,500 | Nil | Nil | 3,500 |
| Director | 2019 | Nil | Nil | 3,500 | Nil | Nil | 3,500 |
| Ron Love ⁽⁸⁾ | 2020 | Nil | Nil | 3,500 | Nil | Nil | 3,500 |
| Director | 2019 | Nil | Nil | 3,500 | Nil | Nil | 3,500 |

Notes:

- (1) Mr. Hsieh was appointed as President and Chief Executive Officer of the Corporation effective January 24, 2019 and as a director of the Corporation effective October 26, 2017.
- (2) Mr. Louie resigned as President and Chief Executive Officer of the Corporation and did not stand for re-election as a director of the Corporation effective January 24, 2019.
- (3) Mr. Zhang was appointed as Chairman of the Board of the Corporation effective January 24, 2019 and as a director of the Corporation effective October 26, 2017.
- (4) Mr. Burstall was appointed as Secretary of the Corporation effective January 24, 2019 and elected as a director of the Corporation effective March 25, 2015.
- (5) Mr. Luquain was appointed as Chief Technical Officer of the Corporation and elected as a director of the Corporation on January 24, 2019.
- (6) These amounts were paid to Mr. Luquain in his position as Chairman and Chief Executive Officer of Techni Modul Engineering S.A., a subsidiary of the Corporation.
- (7) Mr. Cui was elected as a director of the Corporation effective January 24, 2019.
- (8) Mr. Love was elected as a director of the Corporation effective January 24, 2019.

Stock Options and other Compensation Securities

The following table sets forth information with respect to all compensation securities granted or issued to the Corporation's Named Executive Officers and directors by the Corporation in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation:

Compensation Securities

| Name and position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
|--|-------------------------------|---|------------------------|--|--|---|-------------------|
| Yu-Chung (Jim) Hsieh President, Chief Executive Officer and Director | Options | 500,000 ⁽¹⁾ 0.45% ⁽²⁾ | February 15, 2019 | 0.125 | 0.125 | 0.19 | February 15, 2022 |
| James G. Louie Former President, Chief Executive Officer and Director | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Debbie Chien Chief Financial Officer | Options | 500,000 ⁽¹⁾ 0.45% ⁽²⁾ | February 15, 2019 | 0.125 | 0.125 | 0.19 | February 15, 2022 |
| Sicheng Zhang Chairman of the Board and Director | Options | 600,000 ⁽¹⁾ 0.54% ⁽²⁾ | February 15, 2019 | 0.125 | 0.125 | 0.19 | February 15, 2022 |
| V. E. Dale Burstall Secretary and Director | Options | 100,000 ⁽¹⁾ 0.09% ⁽²⁾ | February 15, 2019 | 0.125 | 0.125 | 0.19 | February 15, 2022 |
| Serge Luquain Chief Technical Officer and Director | Options | 500,000 ⁽¹⁾ 0.45% ⁽²⁾ | February 15, 2019 | 0.125 | 0.125 | 0.19 | February 15, 2022 |

Compensation Securities

| Name and position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
|--|--------------------------------------|--|-------------------------------|---|---|--|----------------------|
| JianYong (Bill) Cui <i>Director</i> | Options | 100,000 ⁽¹⁾ 0.09% ⁽²⁾ | February 15, 2019 | 0.125 | 0.125 | 0.19 | February 15, 2022 |
| Ron Love <i>Director</i> | Options | 100,000 ⁽¹⁾ 0.09% ⁽²⁾ | February 15, 2019 | 0.125 | 0.125 | 0.19 | February 15, 2022 |

Notes:

- (1) The options vested as to 1/3 immediately upon being granted on February 15, 2019, with 1/3 vesting on February 15, 2020 and 1/3 vesting on February 15, 2021. The options were also held by the optionholders on December 31, 2020, the last day of the most recently completed financial year of the Corporation.
- (2) Based on 110,233,610 Common Shares issued and outstanding as at December 31, 2020.

No compensation securities were exercised by the Corporation's Named Executive Officers or directors during the most recently completed financial year.

Stock Option Plan

Please refer to "Approval of Stock Option Plan" above for a description of the material features of the Stock Option Plan. The Stock Option Plan was previously approved by the Shareholders on April 24, 2020.

Employment, Consulting and Management Agreements

There were no agreements or arrangements in place under which compensation was provided during the financial year ended December 31, 2020 or is payable in respect of services provided to the Corporation or any of its subsidiaries that were: (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

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

The Board reviews on an annual basis the adequacy and form of compensation of directors to ensure that the compensation of the Board reflects the responsibilities, time commitment and risks involved in being an effective director. The Corporation currently compensates directors with cash retainers for being a member of the Board or a member of a committee of the board (of which there are currently two committees, being the Audit Committee and Compensation and Corporate Governance Committee). For greater certainty, directors of the Corporation who are officers or employees of the Corporation do not receive fees in their capacities as directors; however, all directors are reimbursed for out-of-pocket expenses and travel expenses related to attendance at directors' meetings, and all directors are eligible to participate in the Stock Option Plan.

Compensation of Executive Officers

The Corporation's executive compensation program is comprised of the following components: base salary and long-term incentives. Together, these components support the Corporation's long-term growth strategy and the following objectives:

- to align executive compensation with Shareholders' interests;
- to attract and retain highly qualified management;
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- to encourage retention of key executives for leadership succession.

Base salary is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual salary adjustments take into account the market value of the role and the executive's demonstration of capability during the year.

The Stock Option Plan is designed to provide an incentive to the optionees to achieve the longer-term objectives of the Corporation. For more details, the full text of the Stock Option Plan is attached to this Information Circular as Schedule A.

Option based awards

Stock options are granted to provide an incentive to the directors and officers of the Corporation to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Board.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits at, following, or in connection with retirement. The Corporation does not have a defined contribution plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2020:

| Plan Category | Number of Securities to be issued upon exercise of outstanding options, warrants and rights (A) | Weighted-average exercise price of outstanding options, warrants and rights (B) | Number of securities remaining available for future issuance under equity compensation (excluding securities reflected in column (A)) (C) |
|--|--|--|--|
| Equity compensation plans approved by security holders | 2,400,000 | \$0.125 | 8,623,361 |
| Equity compensation plans not approved by security holders | N/A | N/A | N/A |
| TOTAL | 2,400,000 | | 8,623,361 |

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. CSA have adopted National Policy 58-201 - *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and which contribute to effective and efficient decision making. The Board has adopted a compensation and corporate governance committee charter.

Board of Directors

The Board of Directors is currently comprised of six (6) members: Yu-Chung (Jim) Hsieh, Sicheng Zhang, V. E. Dale Burstall, Serge Luquain, JianYong (Bill) Cui and Ron Love. Messrs. Cui and Love are currently independent as defined pursuant to NI 58-101 and National Instrument 52-110 – Audit Committees ("**NI 52-110**"). Yu-Chung (Jim) Hsieh is not independent by virtue of being the President and Chief Executive Officer of the Corporation, Sicheng Zhang is not independent by virtue of being a Control Person, Dale Burstall is not independent by virtue of being legal counsel to the Corporation and Serge Luquain is not independent by virtue of being Chief Technical Officer of the Corporation and President of a subsidiary of the Corporation.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. Due to the size and the early stage of the Corporation's business the Board does not believe a majority of independent directors is necessary at this time, but will review this matter as the Corporation's business plan progresses.

The Board facilitates independent supervision of management through meetings of the Board and through informal discussions among independent members of the Board and management. In addition, the Board has free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers. The Board believes that it functions independently of management. The Board transacts business as required, without management present. When conflicts do arise, interested parties are precluded from voting on matters in which they may have an interest. The Board has adopted a Board of Directors charter.

Committee Chairs

Every chair of a Board committee shall have, among others, the following responsibilities: (i) planning committee meetings, establishing the agenda of these meetings and coordinating the activities of the Corporate Secretary as regards the affairs of the committee; and (ii) chairing all of the meetings of the committee, ensuring the proper and efficient conduct hereof, ensuring that all members are able to express their opinions on the topics being discussed and making sure that the decisions or recommendations made by the committee are clear.

The chair of a committee shall report to the Board in matters relating to his mandate and to the work of his committee.

Orientation and Continuing Education

The Corporation has not implemented a formal orientation and continuing education program. At present, new directors are given a verbal outline of the nature of the Corporation's business, its corporate strategy and current issues with the Corporation. New directors are also expected to meet with management of the Corporation to discuss and better understand the Corporation's business and will be advised by counsel to the Corporation of their legal obligations as directors of the Corporation.

The introduction and education process will be reviewed on an annual basis by the Board and will be revised as necessary.

Ethical Business Conduct

The Corporation does not have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants. The Board monitors ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board is responsible for collectively developing and implementing principles and systems for the management of corporate governance and for identifying qualified candidates and recommending nominees for director and board committee appointments.

Other Board of Directors Committees

The Corporation has no standing committees at this time other than the Audit Committee and the Compensation and Corporate Governance Committee.

Compensation and Corporate Governance Committee

The Corporation is committed to ensuring that its business is conducted in compliance with applicable governmental laws, rules and regulations and in an honest and ethical manner. As such, the Corporation has a Compensation and Corporate Governance Committee.

The Compensation and Corporate Governance Committee consists of three (3) members: V. E. Dale Burstall (Chairman), JianYong (Bill) Cui and Ron Love. Messrs. Cui and Love are independent. Mr. Burstall is not independent by virtue of being legal counsel to the Corporation.

Assessments

The Board has not implemented a process for assessing its effectiveness. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to not be necessary at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board does not formally assess the performance or contribution of individual Board members or committee members.

AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in the Corporation's audit committee mandate.

Audit Committee Charter

The Board has developed a written audit committee charter (the "**Charter**"). A copy of the Charter is attached hereto as Schedule B to this Information Circular.

Composition of the Audit Committee

The Audit Committee consists of three (3) members: Ron Love (Chairman), JianYong (Bill) Cui and Yu-Chung (Jim) Hsieh. Two of the members of the Audit Committee, Messrs. Love and Cui, are independent as defined pursuant to NI 58-101 and NI 52-110. Mr. Hsieh is not independent by virtue of being the President and Chief Executive Officer of the Corporation. All of the members of the Audit Committee are "financially literate" for the purposes of NI 52-110.

The Audit Committee is responsible for, and assists the Board in fulfilling its responsibility for: (i) the oversight and supervision of the audit of financial statements of the Corporation; (ii) the management of the relationship with the auditor of the Corporation; (iii) meeting with the auditor as required in connection with the audit services provided by the auditor; (iv) the oversight and supervision of the accounting and financial reporting practices and procedures of the Corporation; (v) the oversight and supervision of the adequacy of the Corporation's internal accounting controls and procedures; and (vi) the oversight and supervision of the quality and integrity of the Corporation's financial statements.

Relevant Education and Experience

Ron Love

Mr. Love is a Chartered Accountant with over 25 years' experience in senior financial roles in various companies and industries. Mr. Love received his Chartered Accountant designation in 1994 after obtaining his Bachelor of Commerce degree from the University of Calgary. He has substantial experience as a Chief Financial Officer in various public companies with businesses crossing international borders.

JianYong (Bill) Cui

Mr. Cui received his masters in civil engineering from Beijing Jiaotong University and has extensive experience in technical operations as well as sales management, including General Manager of Sales of Annie Choise International Ltd.

Yu-Chung (Jim) Hsieh

Mr. Hsieh received an MBA from Tunghai University in Taiwan where he also serves as a lecturer. Mr. Hsieh has been a financial advisor over the past 30 years and he previously worked with Deloitte & Touche

and Arthur Andersen as a Partner and Head of Corporate Finance, and now manages a financial advisory firm.

Pre-Approval Policies and Procedures

The Audit Committee reviews and pre-approves any engagement for non-audit services to be provided by the external auditors or its affiliates, together with estimated fees, and considers the impact on the independence of the external auditor.

External Auditor Service Fees

The following table provides information about the fees billed to the Corporation for professional services rendered for the fiscal years 2019 and 2020 to the Corporation's external auditors. Please refer to "Particulars of Matters to be Acted Upon – Appointment of Auditor" above for a description of the appointment of RSM Alberta LLP to serve as auditors of the Corporation.

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------|-------------|-------------|
| Audit Fees ⁽¹⁾ | \$55,000 | \$35,000 |
| Audit Related Fees ⁽²⁾ | \$17,500 | \$37,500 |
| Tax Fees ⁽³⁾ | \$1,500 | \$3,625 |
| All Other Fees ⁽⁴⁾ | Nil | Nil |
| Total ⁽⁵⁾ | \$74,000 | \$76,125 |

Notes:

- (1) Audit Fees consist of fees for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings or engagements.
- (2) Audit Related Fees consist of fees paid for services related to the performance of limited procedures performed by the Corporation's auditors related to interim reporting.
- (3) Tax Fees consist of fees paid for tax compliance, tax advice and tax planning.
- (4) Other Fees consist of fees for other accounting services other than the services reported under Audit Fees, Audited Related Fees and Tax Fees, above.
- (5) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf. These additional costs are not material as compared to the total professional services fees each year.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

As the Corporation is a venture issuer on the Exchange, it relies on the exemption in section 6.1 of NI 52-110 (Venture Issuers), which exempts venture issuers 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

Other than as set forth below, no director, executive officer, employee or former director, executive officer or employee of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been

indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

As of December 31, 2019 and December 31, 2020, TME had an existing receivable account in the amount of CA\$288,668 and CA\$308,957 respectively (the original amount remained the same: EUR 197,948) from SPV Finance, a holding company controlled by Serge Luquain. This loan bears an interest rate equal to the EURIBOR 3 months rate and has no definitive date for maturity.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth elsewhere in this Information Circular, the management of the Corporation is not aware of any material interest, direct or indirect, of any director, proposed director, senior officer, executive officer or promoter, or any of their respective associates or affiliates, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Information Circular, the management of the Corporation is not aware of any material interest, direct or indirect, of any insider of the Corporation, any nominee for election as a director of the Corporation, or any associate or affiliate of any such person, in any transaction since the date of incorporation, or in any proposed transaction, that has materially affected or would materially affect the Corporation.

MANAGEMENT CONTRACTS

Management of the Corporation is performed by the directors, senior officers and executive officers of the Corporation and not by any other person.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at www.sedar.com. Financial information regarding the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Securityholders of the Corporation may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis.

THIS IS SCHEDULE A ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF COMPOSITE ALLIANCE GROUP INC. TO BE HELD ON JULY 13, 2021, AND ANY ADJOURNMENT THEREOF

STOCK OPTION PLAN

(see attached)

COMPOSITE ALLIANCE GROUP INC.
Stock Option Plan

1. **Purpose of Plan**

The purpose of the Composite Alliance Group Inc. (the "Corporation") Stock Option Plan (the "Plan") is to advance the interests of the Corporation by attracting, retaining and motivating directors, officers, employees and consultants of the Corporation and its subsidiaries to acquire common shares ("Common Shares") in the capital of the Corporation and thereby to: (i) increase the proprietary interests of such persons in the Corporation; (ii) closely align the personal interests of such directors, officers, employees and consultants with those of the shareholders of the Corporation generally; (iii) encouraging such persons to remain associated with the Corporation or any of its subsidiaries or affiliates, and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation or any of its subsidiaries or affiliates.

2. **Administration**

- (a) The Plan shall be administered by the Board of the Corporation (the "Board");
- (b) The Board shall have full and final authority and discretion, subject to the express provisions of the Plan, to: (i) construe and interpret the Plan and all option agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to it; and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan, subject to the rules and policies of any exchange or quotation system upon which the Corporation's Common Shares are listed or quoted including the TSXV. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board may delegate any or all of its authority and discretion with respect to the administration of the Plan to a committee of the Board, including without limitation the Compensation Committee (as defined in National Policy 58-201) of directors, or to the President or any other officer of the Corporation.. When used hereinafter, Board shall be deemed to include any committee or officer which the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of this Plan.

3. **Common Shares Subject to Plan**

The maximum number of unissued Common Shares that may be subject to options granted and outstanding ("Optioned Shares") under the Plan at any time shall be 10% of the number of the issued and outstanding Common Shares from time to time (calculated on a non-diluted basis) ("Outstanding Common Shares"). The number of Common Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that:

- (a) Subject to Subsection 5(h) below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Common Shares. Whenever used herein, the term "Common Shares" shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Subsection 5(h) below.
- (b) the aggregate number of Common Shares reserved for issuance under this Plan shall be equal to 10% of the aggregate number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Common Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan

4. **Eligibility**

- (a) Options may be granted, on the Board discretion, under the Plan to any of the following persons to participate in this Plan:
- (i) directors of the Corporation or any of its subsidiaries or affiliates;
 - (ii) officers of the Corporation or any of its subsidiaries or affiliates;
 - (iii) employees of the Corporation or any of its subsidiaries or affiliates, including Management Company Employees, (as defined in TSXV Policies); and
 - (iv) consultants retained by the Corporation or any of its subsidiaries or affiliates, provided such consultants have performed and/or continue to perform services for the Corporation or any of its subsidiaries or affiliates on an ongoing basis or are expected to provide a service of value to the Corporation or any of its subsidiaries or affiliates, including, if applicable, Consultant Companies (as defined in TSXV policies)
- (any such person having been selected for participation in this Plan by the Board is herein referred to as a "Participant")
- (b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the Shareholders of the Corporation if the rules of any stock exchange on which the Common Shares are listed require such approval.
- (c) Options will not be granted to an officer, employee or consultant of the Corporation, unless such Participant is a bona fide officer, employee or consultant of the Corporation.

5. **Number of Optioned Common Shares**

The number of Common Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that:

- (a) the aggregate number of Common Shares reserved for issuance under this Plan, together with any other security based compensation arrangement of the Corporation, shall not, at the time of grant, exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis) unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed to exceed such threshold;
- (b) in no event shall options be granted to any one Participant to purchase in excess of 5% of the then outstanding Common Shares of the Corporation in any 12 month period (unless the Corporation has obtained disinterested Shareholder approval);
- (c) the Corporation obtain disinterested Shareholder approval where, together with all of the Corporation's previously established and outstanding stock option plans or grants, (i) the number of Common Shares reserved for issuance under stock options granted to Insiders (as defined in TSXV Policy 1.1) exceeds 10% of the issued and outstanding Common Shares; (ii) the grant to Insiders (as defined in TSXV Policy 1.1), within a 12 month period, of a number of Options exceeds 10% of the issued and outstanding Common Shares; or (iii) the issuance to any one Participant, within a 12 month period, of a number of Common Shares exceeds 5% of the issued and outstanding Common Shares;
- (d) no more than two percent of the issued Common Shares of the Corporation may be granted to any one Consultant (as defined in TSX-V Policy 4.4) in any 12 month period;

- (e) no more than an aggregate of two percent of the issued Common Shares of the Corporation may be granted to an Employee (as defined in TSXV Policy 4.4) conducting Investor Relations Activities (as defined in TSXV Policy 4.4), in any 12 month period; and
- (f) if option rights granted to an individual under the Plan in respect of certain Optioned Shares expire or terminate for any reason without having been exercised, such Optioned Shares may be made available for other options to be granted under the Plan.

6. Terms and Conditions

All options under the Plan shall be granted upon and subject to the terms and conditions hereinafter set forth.

(a) Exercise Price

The exercise price to each Participant for each Optioned Share shall be as determined by the Board provided that:

- (i) the exercise price shall not be less than that from time to time permitted under the rules of any stock exchange or exchanges on which the Common Shares are then listed;
- (ii) the exercise price of an Option must be paid in cash or certified cheque payable to the Corporation; and
- (iii) Disinterested Shareholder approval shall be obtained prior to any reduction in the exercise price of a previously granted option if the participant is an Insider (as defined in TSXV Policy 1.1) of the Corporation at the time of the proposed amendment.

(b) Option Agreement

All options to purchase the Common Shares granted under the Plan shall be evidenced by means of an agreement (the "Option Agreement") between the Corporation and each Participant in a form as may be approved by the Board, such approval to be conclusively evidenced by the execution of the Option Agreement by any director or officer of the Corporation other than the Participant.

(c) Length of Grant

The period during which an Option may be exercised (the "**Option Period**") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted, and subject to Subsections (i) and (j) and (k) below, provided that

- (i) no Option shall be exercisable for a period exceeding 5 years from the date the Option is granted unless the Corporation receives the permission of the stock exchange or exchanges, if required, on which the Common Shares are then listed and as specifically provided by the Board, and in any event, no Option shall be exercisable for a period exceeding 10 years from the date the Option is granted;
- (ii) no Option in respect of which Shareholder approval is required under the rules of any stock exchange or exchanges on which the Common Shares are then listed shall be exercisable until such time as the Option has been approved by the Shareholders of the Corporation;
- (iii) the Board may, subject to the receipt of any necessary regulatory or stock exchange approvals, in its sole discretion, accelerate the time at which any Option may be exercised, in whole or in part;
- (iv) any Options granted to any Participant must expire within 90 days after the Participant ceases to be a Participant, and within 30 days for any Participant engaged in investor relation activities after such Participant ceases to be employed to provide investor relation activities; and

- (v) Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board. For the purposes of this paragraph, "Black Out Period" means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the corporation respecting on trading that is in effect at that time;

(d) Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall be non-transferable and non-assignable unless specifically provided herein. During the lifetime of a Participant any Options granted hereunder may only be exercised by the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

(e) Method of Exercise

- (i) Except as set forth in Subsections (j) and (k) below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates;
- (ii) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time;
- (iii) Any Participant (or the Participant's legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Calgary, Alberta;
 - (1) a written notice expressing the intention of such Participant (or the Participant's legal, personal representative) to exercise the Participant's Option and specifying the number of Common Shares in respect of which the Option is exercised; and
 - (2) a cash payment, cheque or bank draft, representing the full purchase price of the Common Shares in respect of which the Option is exercised.
- (iv) Upon the exercise of an Option as aforesaid, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Common Shares to deliver, to the relevant Participant (or the Participant's legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Common Shares as the Participant (or the Participant's legal, personal representative) shall have then paid for

(f) Rights of Participants

The Participants shall have no rights whatsoever as shareholders in respect of any of the Optioned Shares (including, without limitation, any right to receive dividends or other distributions therefrom, voting rights, warrants or rights under any rights offering) other than in respect of Optioned Shares for which Participants have exercised their option to purchase and which have been issued by the Corporation.

(g) Proceeds from Exercise of Options

The proceeds from any sale of Common Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

(h) Adjustments

- (i) The number of Common Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Common Shares of the Corporation, and in any such event a corresponding adjustment shall be made to the number of Common Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent their dilution or enlargement.
- (ii) Adjustments under this Subsection 5(h) shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Common Shares shall be issued upon the exercise of an Option following the making of any such adjustment.; and

(i) Change of Control

Notwithstanding anything else contained herein, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, the Board may in its sole discretion accelerate a Participant's right to exercise his Options, in whole or in part, either during the term of the Option or within 90 days after the date of sale or change of control, whichever first occurs. Additionally, notwithstanding anything else contained herein, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, the Board may in its sole discretion permit a Participant to surrender his or her Option in exchange for a payment by the Corporation of a cash amount per Optioned Share equal to the difference between the exercise price of the Option and the closing price of the Common Shares on the stock exchange on which the Common Shares are then listed (assuming such closing price of the Common Shares on the stock exchange is greater than the Exercise Price).

For the purpose of this Plan "change of control" of the Corporation means and shall be deemed to have occurred if and when:

- (i) the acceptance by the holders of Common Shares of the Corporation, representing in the aggregate more than 40% of the number of Common Shares then issued and outstanding, of any offer, whether by way of a takeover bid or otherwise, for all or any of the Common Shares of the Corporation; or
- (ii) the acquisition, by whatever means (including, without limitation, amalgamation, arrangement, consolidation or merger), by a person (or two or more persons who in such acquisition have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Common Shares acquired), directly or indirectly, of the beneficial ownership of such number of Common Shares or rights to Common Shares of the Corporation, which together with such person's then owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 40% of the combined voting rights of the Corporation's then outstanding Common Shares, inclusive of the Common Shares that would be outstanding on the full exercise of all rights to Common Shares; or

- (iii) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; or
- (iv) the passing of a resolution by the Board or Shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement as that which existed prior to the re-arrangement); or
- (v) individuals who were members of the Board of the Corporation immediately prior to a meeting of the Shareholders of the Corporation involving a contest, for or an item of business relating to the election of directors shall not constitute a majority of the Board following such election.

(j) Ceasing to be a Director, Officer, Employee or Consultant

Subject to any written agreement between the Corporation and a Participant providing otherwise and subject to the Option Period, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates for any reason other than death or permanent disability of the Participant, the Option granted to the Participant will terminate at 5:00 p.m. (Calgary time) on the earlier of the date of the expiration of the Option Period and 90 days after the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Corporation or, as the case may be, ceases to actively perform services for the Corporation. An Option granted to a Participant who performs investor relations services on behalf of the Corporation shall terminate on the date of termination of the employment or cessation of services being provided and shall be subject to any exchange policies and procedures for the termination of Options for investor relations services. For greater certainty, the termination of any Options held by the Participant, and the period during which the Participant may exercise any Options, shall be without regard to any notice period arising from the Participant's ceasing to hold the position or positions of director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall (i) confer upon such Participant any right to continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be, or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be.

(k) Death and Permanent Disability of a Participant

Subject to any written agreement between the Corporation and a Participant providing otherwise and subject to the Option Period, in the event of the death or permanent disability of a Participant, any Option previously granted to the Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death or permanent disability of such Participant, whichever is earlier, and then only:

- (i) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
- (ii) to the extent that the Participant was entitled to exercise the Option as at the date of the Participant's death or permanent disability

7. **Amendment and Discontinuance of Plan**

The Board may, at any time, suspend or terminate this Plan. The Board may also at any time amend or revise the terms of this Plan, subject to the receipt of all necessary regulatory approvals provided that no such amendment or revision shall alter the terms of any Options previously granted under this Plan.

8. **No Further Rights**

Nothing contained in the Plan nor in any option granted hereunder shall give any Participant or any other person any interest or title in or to any Common Shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any option, nor shall it confer upon the Participants any right to continue as an officer or employee of the Corporation or of its subsidiaries.

9. **Stock Exchange Rules**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the stock exchange or exchanges on which the Common Shares are listed.

10. **Right to Issue Other Common Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

11. **Notices**

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Calgary, Alberta, Attention: The President; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

12. **Interpretation**

This Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

THIS IS SCHEDULE B ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF COMPOSITE ALLIANCE GROUP INC. TO BE HELD ON JULY 13, 2021, AND ANY ADJOURNMENT THEREOF

AUDIT COMMITTEE CHARTER

(see attached)

COMPOSITE ALLIANCE GROUP INC.
Audit Committee Charter

MANDATE

The Audit Committee (the "Audit Committee") is a committee of the board of directors (the "Board") of Composite Alliance Group Inc. (the "Corporation"), to which the Board has delegated its responsibility for the oversight of the nature and scope of the annual audit, the oversight of management's reporting on internal accounting standards and practices, the review of financial information, accounting systems and procedures, financial reporting and financial statements, and has charged the Audit Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The Audit Committee of the Corporation shall:

1. assist the Board in its oversight role with respect to:
 - a. the quality and integrity of financial information;
 - b. the external auditor's performance, qualifications and independence;
 - c. the performance of the Corporation's internal audit function, if applicable;
 - d. the Corporation's compliance with legal and regulatory requirements; and
2. prepare such reports of the Audit Committee required to be included in the Annual Information Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP OF THE AUDIT COMMITTEE

1. The Audit Committee shall consist of three or more Directors appointed by the Board. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.
2. Each member of the Audit Committee shall be financially literate within the meaning of applicable securities laws and as such qualification is interpreted by the Board in its business judgment. Each of the members of the Audit Committee shall also satisfy the applicable independence and financial literacy requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed, and applicable securities regulatory authorities.
3. The members of the Audit Committee must also possess the following collective skills or attributes: (1) relevant experience in supervising audit engagements for public companies in Canada and China; and (2) Canadian financial reporting expertise.
4. Each Audit Committee member must receive a general orientation on the local customs in China and business risks inherent in operating in the local environment in China.
5. The Board shall designate one member of the Audit Committee as the Committee Chair.
6. Any members of the Audit Committee may be removed or replaced at any time by the Board of Directors and will cease to be a member of the Audit Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Audit Committee by appointment from among its members. If and whenever a vacancy exists on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following the appointment as a member of the Audit Committee, each member will hold such office until the Audit Committee is reconstituted.

MEETINGS, STRUCTURE AND OPERATIONS

1. Audit Committee members may participate in a meeting of the Audit Committee (a "Meeting") by electronic means, telephone or other communication facilities as permit all persons participating in the Meeting to hear each other, and a member participating in such a Meeting by such means is deemed to be present at the Meeting.
2. At all Meetings of the Audit Committee, every question shall be decided by a majority of votes cast.
3. The affirmative vote of a majority of the members of the Audit Committee participating in any Meeting of the Audit Committee is necessary for the adoption of any resolution.
4. The Committee Chair will preside at all Meetings of the Audit Committee, unless the Committee Chair is not present in which case the members of the Audit Committee that are present will designate from among such members a Committee Chair for purposes of the Meeting.
5. The Audit Committee shall meet as often as it determines, but not less frequently than quarterly/or by resolution. Minutes of the Audit Committee will be taken at each Meeting. If the Chief Financial Officer (the "CFO") is not a member of the Audit Committee, the CFO will attend Meetings of the Audit Committee, unless otherwise excused from all or part of any such Meeting by the Committee Chair.
6. The Audit Committee shall report to the Board on its activities after each of its Meetings at which time minutes of the prior Audit Committee Meeting shall be tabled for the Board.
7. The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.
8. The Audit Committee is expected to establish and maintain free and open communication with management and the external auditor. The Audit Committee shall hold separate Meetings with each of management and the external auditor at least once per year, and at such other times as such parties consider appropriate.
9. At least one member of the Audit Committee, other than the CFO, if the CFO is also a member of the Audit Committee, shall visit one of the Corporation's primary operational sites at least once per year.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board, the external auditor and the internal auditor (if any) all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with Canadian IFRS accounting principles and applicable laws. The Board in its oversight role is responsible for ensuring that management fulfills its responsibilities. The external auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian IFRS accounting principles.

SPECIFIC DUTIES

Oversight of the External Auditor

1. Make recommendations to the Board for the appointment and replacement of the external auditor.
2. Responsibility for the compensation and oversight of the work of the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditor shall report directly to the Audit Committee.

3. Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the external auditor.
4. Evaluate the qualifications, performance and independence of the external auditor, including (i) reviewing and evaluating the lead partner on the external auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
5. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (at least every 5 years).

Financial Reporting

1. Review and discuss with management and the external auditor:
 - a. prior to the annual audit the scope, planning and staffing of the annual audit,
 - b. the annual audited financial statements,
 - c. the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
 - d. approval of any reports for inclusion in the Corporation's annual report, as required by applicable legislation,
 - e. the Corporation's quarterly financial statements, including the results of any external auditor's review of the quarterly financial statements and any matters required to be communicated by the external auditor under applicable review standards,
 - f. significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
 - g. any significant changes in the Corporation's selection or application of accounting principles,
 - h. any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - i. other material written communications between the external auditor and management, such as any management letter or schedule of unadjusted differences.
2. Discuss with the external auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.
3. The Audit Committee will review all significant accounting and financial reporting issues, especially complex, unusual and related party transactions.
4. Review the financial statements, prospectuses, management's discussion and analysis, annual information form and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information and will periodically assess the accuracy of those procedures.

Internal Control

1. Review and consider controls the Corporation has in place for annual and financial interim reporting, and controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation in order to determine if such controls are adequate.
2. Evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation.
3. Ensure that the external auditors discuss with the Audit Committee any event or matter which suggest the possibility of fraud, illegal acts or deficiencies in internal controls.

Other Responsibilities

1. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
2. Ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis.
3. Review the policies and procedures in effect for considering officers' expenses and perquisites.
4. Perform other oversight functions as requested by the Board.
5. Review and update this Charter and receive approval of any changes to this Charter from the Board.

FUNDING FOR THE EXTERNAL AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

1. The Audit Committee shall have the appropriate authority and resources in order to discharge its responsibilities.
2. The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditor for the purpose of issuing an audit report.
3. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

1. Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.
2. Any proposed audit and permitted non-audit services to be provided by the external auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this Charter. The CFO shall act as the primary contact to receive and assess any proposed engagements from the external auditor.
3. Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.
4. In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit

and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled Meeting.

LIMITATION ON AUDIT COMMITTEE MEMBERS' DUTIES

1. Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.