



ANNUAL GENERAL AND SPECIAL MEETING

Materials Attached:

**Notice of Meeting
Information Circular
Proxy
Supplemental Mailing List Return Card**

**The Annual General and Special Meeting of the Shareholders
Fuse Cobalt Inc. is being held at
3028 Quadra Court, Coquitlam, BC, V3B 5X6
on July 7, 2020 at 8:00 a.m. (Vancouver time)**

FUSE COBALT INC.
(Formerly LiCo Energy Metals Inc.)
1220 – 789 West Pender Street
Vancouver, British Columbia, V6C 1H2

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an Annual General and Special Meeting (the “**Meeting**”) of the shareholders of Fuse Cobalt Inc. (the “**Company**”) will be held at 3028 Quadra Court, Coquitlam, BC, V3B 5X6 on Tuesday, July 7, 2020 at 8:00 a.m. (Vancouver time) for the following purposes:

1. To receive the audited financial statements of the Company for the period ended December 31, 2019, together with the report of the auditors thereon.
2. To fix the number of directors of the Company at four (4) persons.
3. To elect the directors for the forthcoming year.
4. The appointment of Dale Matheson Carr-Hilton Labonte LLP, Inc., Chartered Accountants, as auditors for the ensuing year and to authorize the directors to fix their remuneration.
5. To approve by ordinary resolution amendments to the Company’s Stock Option Plan as described in the accompanying Information Circular.
6. To approve by ordinary resolution the grant of stock options to certain insiders and consultants of the Company pursuant to the Company’s Stock Option Plan as described in the accompanying Information Circular.
7. To transact such further or other business as may properly come before the Meeting or any adjournment thereof.

The details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying this Notice, which is supplemental to and expressly made a part of this Notice. Shareholders of record as of the close of business on June 2, 2020 (the “**Record Date**”) will be entitled to vote at the Meeting and at any adjournment or adjournments thereof.

Amid ongoing concerns about the coronavirus (COVID-19) outbreak, the Company remains mindful of the well-being of our shareholders and their families, our industry partners and other stakeholders as well as the communities in which we operate. The Company currently intends on holding an in-person shareholder meeting, with the necessary restrictions set forth in the following paragraph. However, as COVID-19 is a rapidly evolving situation, the Company 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 or postponing the Meeting. The Company will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Company’s website at www.fusecobalt.com or the Company’s SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted. The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting.

The Company, in accordance with current public health guidelines, discourages shareholders from physically attending the Meeting, and, in order to ensure as many common shares as possible are represented at the Meeting, strongly encourages registered shareholders to complete the Form of Proxy and return it as soon as possible in accordance with the instructions outlined in the Circular shareholders who do not hold their Common Shares in

their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set - iii - out in the accompanying Information Circular. In addition, only registered shareholders of the Company (the "Registered Shareholders") or their duly appointed proxy holders will be permitted to attend the Meeting. If the situation improves and these restrictions can be lifted, the Company will provide an update as described above.

It is important that your shares be represented at this Meeting to ensure a quorum. If you cannot be present to vote in person, please ensure that your proxy or, if a company, your representative, is appointed and present to vote on your behalf at the Meeting. Instructions regarding the appointment of a proxy or representative are contained in the Information Circular.

DATED at the City of Vancouver, in the Province of British Columbia, as of this 2nd day of June, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"Robert Setter"

Robert Setter
President & CEO

FUSE COBALT INC.
(formerly LiCo Energy Metals Inc.)
1220 – 789 West Pender Street
Vancouver, British Columbia, V6C 1H2

INFORMATIONCIRCULAR

(Containing information as at June 2, 2020 unless otherwise indicated)

This information circular (“*Information Circular*”) is provided in connection with the solicitation of proxies by the management **FUSE COBALT INC** (the “*Company*”) for use at the Annual General and Special Meeting of the shareholders of the Company (the “*Meeting*”) to be held at 3028 Quadra Court, Coquitlam, BC, on Tuesday, July 7, 2020 at 8:00 am (Vancouver time) and at any adjournments thereof for the purpose set forth in the enclosed Notice of Annual General Meeting (“*Notice of Meeting*”).

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by Directors, Officers and regular employees of the Company. All costs of solicitation of proxies by management will be borne by the Company.

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

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

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company’s transfer agent, Odyssey Trust Company (“**Odyssey**”), Attention: Proxy Department, by fax to 1-(800)-517-4553, via email to proxy@odysseytrust.com, or by mail or hand delivery to Odyssey Trust Company, Attention: Proxy Department, 409 Granville Street, Suite 323, Vancouver, British Columbia, V6C 1T2; or
- (b) using the internet through the website of the Company’s transfer agent at odysseytrust.com/Transfer-Agent/Login. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder’s account number and the Proxy control number;

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Beneficial Shareholders

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

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

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

If you are a Beneficial Shareholder:

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

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Many brokers delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications or another investor communication service (collectively, for the purposes of this Information Circular, "**Broadridge**") in Canada and the United States. Broadridge will typically mail a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Shares voted.**

Although as a Beneficial shareholder you may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxy holder for your broker and vote your Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Shares as proxy holder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Shares.

This Information Circular and related material is being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Revocation of Proxies

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

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Odyssey Trust Company, by fax to 1-(800)-517-4553, via email to proxy@odysseytrust.com, or by mail or hand delivery to Odyssey Trust, Attention: Proxy Department, 409 Granville Street, Suite 323, Vancouver, British Columbia, V6C 1T2, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Shares.

Only registered shareholders have the right to revoke a Proxy. Beneficial shareholders who wish to revoke their Proxy must, at least seven days before the Meeting, arrange for their respective intermediaries (as described above) to revoke the Proxy on their behalf. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

RECORD DATE

The Company has set the close of business on June 2, 2020 as the record date (the "*Record Date*") for the Meeting. Only the registered holders of common shares, and those beneficial holders entitled to receive notice through their intermediaries, as at that date, are entitled to receive notice of and to vote at the Meeting unless after that date a shareholder of record transfers his or her shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests at least ten (10) days prior to the Meeting that the transferee's name be included in the list of shareholders entitled to vote, in which case such transferee is entitled to vote such shares at the Meeting.

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The holders of the Company's common shares of record at the Record Date are entitled to vote such shares at the Meeting on the basis of one vote for each common share held. The Company is authorized to issue an unlimited number of common shares without par value (the "*shares*") of which 33,168,283 shares are issued and outstanding as of the Record Date. The Company has no other class of voting securities.

A quorum for the transaction of business at the Meeting is one person who is, or who represents by proxy one or more shareholders who, in the aggregate, hold at least 5% of the issued and shares entitled to vote at the meeting. If there is only one shareholder entitled to vote at a meeting of shareholders: (a) the quorum is one person who is, or who represents by proxy, that shareholder; and (b) that shareholder, present in person or by proxy, may constitute the meeting.

To the knowledge of the directors and executive officers of the Company, and based upon the Company's review of the records maintained by Computershare Investor Services Inc. and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), as at the Record Date, no one shareholder beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion & Analysis

For the purposes of this Circular, a "Named Executive Officer", or "NEO", means each of the following individuals:

- (a) a chief executive officer ("CEO") of the Company
- (b) a chief financial officer ("CFO") of the Company
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, less than \$150,000 for the December 31, 2019 financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2019.

Compensation, Philosophy and Objectives

The Company does not have a formal compensation program. However, the administration of the Company's compensation mechanisms is handled by the directors of the Company. The directors examine matters relating to the compensation of the directors and executive officers of the Company with respect to (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Company for the provision of compensation. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration companies without a history of earnings.

The independent directors ensure that total compensation paid to all Named Executive Officers ("NEOs"), as hereinafter defined, is fair and reasonable. The directors rely on their experience as officers and directors with other companies in assessing compensation levels.

The independent directors work with an executive placement firm from time to time in recruiting and determining the compensation for the CEO, taking into consideration such factors as the market expectations for such a position with a junior exploration company and the experience and qualifications of the successful candidate.

Analysis of Elements

The principal elements of the executive officers' compensation consist of base salary and long-term incentive awards (stock options).

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's stock option plan (the "Stock Option Plan").

Long Term Compensation and Option-Based Awards

The Company has no long-term incentive plans other than the Stock Option Plan. The Company's directors and officers and certain consultants are entitled to participate in the Stock Option Plan. The Stock Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Stock Option Plan aligns the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Company's common shares.

In monitoring or adjusting option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

Summary Compensation Table

During the financial year ended December 31, 2019, the Company had three Named Executive Officers, Tim Fernback, President and CEO of the Company (who was appointed April 30, 2017 and subsequently resigned July 1, 2018), Richard Wilson, President and CEO of the Company (who was appointed July 1, 2018) and Robert Guanzon, the CFO of the Company. The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company and its subsidiaries for the two most recently completed financial years ending December 31, 2019:

Name and principal position	Year ⁽¹⁾	Salary (\$) ⁽²⁾	Share-based awards (\$) ⁽²⁾	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$) ⁽²⁾	All other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
					Annual incentive plans	Long-term incentive plans			
Tim Fernback ⁴ CEO	2019	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2018	\$108,000	Nil	Nil	Nil	Nil	Nil	Nil	\$108,000
Richard Wilson ⁴ CEO	2019	\$6,000	n/a	n/a	n/a	n/a	n/a	n/a	\$6,000
	2018	\$18,000	N/A	N/A	N/A	N/A	N/A	N/A	\$18,000
Robert Guanzon CFO	2019	\$42,000	Nil	Nil	N/A	N/A	N/A	Nil	\$42,000
	2018	\$42,000	Nil	Nil	N/A	N/A	N/A	Nil	\$42,000

Note:

(1) Financial years ended December 31.

(2) All amounts shown are in Canadian currency, the reporting currency of the Company.

(3) Figures represent the grant date fair value of the options. The Company used the Black-Scholes option pricing model for calculating such fair value.

(4) Tim Fernback was appointed as President and CEO on April 30, 2017. Mr. Fernback resigned his position on July 1, 2018 and Rick Wilson was appointed President & CEO on July 1, 2018. Subsequent to the year end Richard Wilson resigned as President & CEO and Robert Setter was appointed in his place.

Outstanding Share-Based and Option-Based Awards

The following table sets forth option-based awards outstanding to NEOs for the fiscal year ended December 31, 2019. The closing price of the Company's shares on the TSX Venture Exchange (the "Exchange") on December 31, 2019 was \$0.02. The value of the unexercised, in the money options is based on the difference between the market price on December 31, 2019 and the exercise price of the options.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Tim Fernback	50,000	\$1.05	Dec 29'21	\$Nil	N/A	N/A	N/A
Richard Wilson	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Robert Guanzon	25,000	\$0.60	Sept. 8'21	\$Nil	N/A	N/A	N/A

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2019

The following table sets forth the value of share-based and option-based awards vested or earned by NEOs during the fiscal year ended December 31, 2019:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Tim Fernback	Nil	N/A	N/A
Richard Wilson	Nil	N/A	N/A
Robert Guanzon	Nil	N/A	N/A

Note:

⁽¹⁾ Value vested during the year is calculated by subtracting the market price of the Corporation's common shares on the date the option vested (being the closing price of the Corporation's shares on the TSXV on the last trading day prior to the vesting date) from the exercise price of the option.

Pension Plan Benefits

As at the fiscal year ended December 31, 2019, the Company did not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

Termination and Change of Control Benefits

There is no compensatory plan or arrangement with respect to the NEOs resulting from the resignation, retirement or any other termination of employment or from a change of the NEO's responsibilities following a change in control.

Director Compensation

The following table shows the compensation provided to the non-executive directors of the Company for the fiscal year ended December 31, 2019. Please see “*Summary Compensation Table*” under “*Statement of Executive Compensation*” above for details of compensation paid by the Company to those directors who are also NEOs.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ryan Goodman	Nil	Nil	Nil	Nil	Nil	Nil	Nil

There are no arrangements under which directors of the Company who were not NEOs were compensated by the Company or its subsidiaries during the Company’s most recently completed fiscal year-end for their services in their capacity as directors or consultants of the Company.

Outstanding Share-Based & Option-Based Awards

The following table sets forth share-based and option-based awards outstanding to the directors of the Company who were not NEOs for the fiscal year ended December 31, 2019. The closing price of the Company’s shares on the Exchange on December 31, 2019 was \$0.02. The value of the unexercised, in the money options is based on the difference between the market price on December 31, 2019 and the exercise price of the options.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$) ⁽⁴⁾	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Ryan Goodman	30,000	\$1.05	Feb. 5'23	\$Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE EQUITY COMPENSATION PLAN

During the fiscal year ended December 31, 2019, the Company maintained the Stock Option Plan, which was approved by the shareholders of the Company on October 18, 2017. The following table sets forth information with respect to the securities outstanding under the Stock Option Plan as at December 31, 2019.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) ⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plan approved by securityholders	135,000	\$0.60	2,404,906
Equity compensation plans not approved by securityholders ⁽¹⁾	N/A	N/A	N/A
Total	135,000		2,404,906

The following is a summary of the substantive terms of the Company’s current Stock Option Plan (the “Plan”).

Plan Summary

The Plan is administered by the Board of Directors of the Company, but may be administered by a special committee of Directors if one is appointed by the Board of Directors. The aggregate number of Shares that may be reserved for issuance under the Plan shall not exceed 2,539,906 shares of the Company. The number of Shares subject to an option to a participant shall be determined by the Board of Directors, but no participant shall be granted an option which exceeds the maximum number of shares permitted by the Exchange or any stock exchange on which the Shares are then listed, or other regulatory body having jurisdiction.

The exercise price of the Shares covered by each option shall be determined by the Board of Directors, provided that the exercise price shall not be less than the Discounted Market Price permitted by the Exchange or any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction.

The maximum term of an option is ten (10) years, provided that participant's options expire ninety (90) days after his ceasing to act for the Company, except upon the death of a participant, in which case his estate shall have one (1) year in which to exercise the outstanding Options.

The Options are subject to extension should the expiry date of such Options fall within a Blackout Period, or nine (9) Business Days following expiration of a Blackout Period. Exchange approval for such extension must also be obtained.

No options are transferable or assignable.

Subject to the approval of the Exchange, the Board of Directors has the discretion to amend or terminate the Plan; however, no amendment shall alter the terms of any outstanding options without the consent of the Optionees concerned.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers or employees of the Company or persons who were directors, executive officers or employees of the Company at any time during the Company's last completed financial year, nor any proposed nominees for election as a director of the Company and no associate or affiliate of such persons are or have been indebted to the Company (or its subsidiaries) at any time since during the last completed financial year ending December 31, 2019, nor as at the date of this Information Circular. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended December 31, 2019, or has any interest in any material transaction in the current year other than as set out herein or disclosed below:

MANAGEMENT CONTRACT

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day- to- day management of the Company. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires that each reporting company disclose its corporate governance practices on an annual basis. The Company’s general approach to corporate governance is summarized below.

The Board of Directors

The Board of Directors is currently composed of three directors.

Independence

Section 1.4 of National Instrument 52-110 – *Audit Committees* (“NI 52-110”) sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Company.

Applying the definition set out in section 1.4 of NI 52-110, three of the four members of the Board of Directors are independent. The members who are independent are Ryan Goodman, James Hellwarth and Chip Richardson. Robert Setter is not independent by virtue of the fact that he is an executive officer of the Company.

Directorships

As at the date hereof, the following Directors which include the proposed directors are also directors of other reporting issuers as set out below:

Name of Director	Reporting Issuer(s) or Equivalent(s)
Robert Setter	Granada Gold Mine Inc. Canada Silver Cobalt Works Inc. Nevada Energy Metals Inc.

Orientation and Continuing Education

The Company has not adopted a formalized process of orientation for new members of the Board of Directors. Orientation of new directors is conducted on an ad hoc basis.

Directors are kept informed as to matters impacting, or which may impact, the Company’s operations through reports and presentations at meetings of the Board of Directors. Directors are also provided the opportunity to meet with senior management and other employees and advisors, who can answer any questions that may arise.

Expectations of Management and Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives. The Company has in place a written Code of Business Conduct and Ethics.

Nominations and Assessment

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual board members, including both formal and informal discussions among Board members and the President. The current and proposed size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board Meeting with one or more members of the Board prior to the proposed director's nomination.

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing businesses. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Company's Board.

Board Committees

The Company currently has one standing committee – the audit committee.

Audit Committee

The Company's audit committee (the "*Audit Committee*") is currently comprised of Robert Setter (Chairman of the Audit Committee), Ryan Goodman and James Hellwarth, who are financially literate in accordance with Section 1.6 of NI 52-110 which states that an individual is financially literate if he or she has the ability to read and understand a set of financial statements that presents a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

Applying the definition of "independence" set out in section 1.4 of NI 52-110, Ryan Goodman and James Hellwarth are independent members of the Audit Committee.

The Audit Committee is governed by an audit committee charter the text of which is attached hereto as Schedule "A".

Robert Setter

Mr. Setter brings two decades of business and marketing experience to the Company and he holds a degree in Economics from UBC. Management consultant for public companies since 2010. He is currently President, CEO and a Director of Nevada Energy Metals Inc.; Director of Granada Gold Mine Inc. and Canada Silver Cobalt Works Inc.

Ryan Goodman

Mr. Goodman is an experienced Director and Manager of public mining companies in various stages of growth and development. Since March, 2019, Mr. Goodman has been VP Legal and Administration of Orezone Gold Corporation. Previously Mr. Goodman was VP Legal Affairs and Business Development of Aura Minerals Inc.. Prior to that Mr. Goodman practiced law with a Canadian multinational law firm with a focus on securities and mining. Mr. Goodman holds a J.D. from the University of Manitoba.

James Hellwarth

Mr. Hellwarth is currently a managing partner of Xander Capital where he has been instrumental in establishing and developing relationships with high-net-worth individuals and organizations. Mr. Hellwarth has been involved in business development and strategy of small-cap companies for over 11 years.

The Audit Committee reviews and recommends to the Board of Directors for approval the annual financial statements and the annual report of the Company. The quarterly financial statements of the Company are reviewed and approved by the Audit Committee. In addition, the Audit Committee is charged with the responsibility of monitoring the integrity of the Company's internal controls and management information systems. For the purposes of performing these duties, the members of the Audit Committee have the right, at all times, to inspect all of the books and financial records of the Company and to discuss with management and the auditors of the Company any accounts, records and matters relating to the financial statements of the Company.

Since the commencement of the Company's most recently completed fiscal year ended December 31, 2019, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Audit Fees

The Audit Committee must pre-approve any engagement of the external auditors for any non-audit services to the Company in accordance with applicable law and policies and procedures to be approved by the Board of Directors. The engagement of non-audit services will be considered by the Company's Board of Directors on a case-by-case basis.

In the following table, "*audit fees*" are fees billed by the Company's external auditors for services provided in auditing the Company's annual financial statements for the subject year. "*Audit-related fees*" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "*Tax fees*" are fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "*All other fees*" are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Company to its auditors for each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2019	\$20,000	N/A	N/A	N/A
December 31, 2018	\$35,000	N/A	N/A	N/A

PARTICULARS OF MATTERS TO BE ACTED ON

1. Financial Statements

The Company's Board of Directors has approved all of the information in the audited financial statements for the year ended December 31, 2019, including the auditor's report thereon, copies of which have been sent to those shareholders who had requested receipt of same. Copies of these materials are also available on the Company's

website at www.fusecobalt.com and under the Company's profile on SEDAR at www.sedar.com.

2. Re-Appointment of Auditors

Shareholders of the Company will be asked to vote for the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as the Company's auditors, to hold office until the next annual general meeting of the shareholders, at a remuneration to be fixed by the directors. Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants were appointed as auditors of the Company on February 19, 2019.

Management recommends that Dale Matheson Carr-Hilton Labonte LLP be appointed auditors of the Company for the ensuing year at a remuneration to be approved by the Board.

Unless otherwise directed by the Shareholders appointing them proxy, the persons named in the enclosed Instrument of Proxy intend to vote at the Meeting to approve this ordinary resolution.

3. Set Number of Directors

The board of directors of the Company presently consists of four (4) directors. The term of office of each of the present directors expires at the Meeting. Shareholders will be asked at the Meeting to approve an ordinary resolution that the number of directors elected be set at four for the ensuing year, subject to such increase as may be permitted by the by-laws of the Company and the provisions of the *Business Corporations Act* ((British Columbia). **In the absence of instructions to the contrary, the enclosed proxy will be voted in favour of setting the number of directors at three.**

4. Election of Directors

Management is nominating the individuals identified below for election as directors of the Company for the ensuing year. The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote for the election of the nominees listed below to the Company's Board of Directors. No management nominee is to be elected under any arrangement or understanding between the management nominee and any other person or company, except the directors and executive officers of the Company acting solely in such capacity. Each director elected will hold office until the close of the next annual general meeting, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) and the Articles of the Company.

Management of the Company does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

The persons named in the Proxy intend to vote IN FAVOUR of the election of the nominees whose names are listed in the following table, unless the shareholder signatory of the proxy has indicated his will to withhold from voting regarding the election of directors.

The following table sets out the names of management's nominees for election as directors, all offices in the Company each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at June 2, 2020:

Name, Province or State and Country of Residence and Current Position with the Company	Occupation, Business or Employment	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽¹⁾
Robert Setter President, CEO & Director British Columbia, Canada	Self-employed writer and consultant, 2011 to present; President & CEO of the Company since Mar, 2020	Feb 11, 2020	Nil
Ryan Goodman ⁽²⁾ Director British Columbia, Canada	VP Legal & Administration of Orezone Gold Corporation; formerly VP Legal VP Legal Affairs and Business Development of Aura Minerals Inc.	February 5, 2018	Nil
James Hellwarth Director Florida, USA	A Managing Partner of Xander Capital Inc.	February 27, 2020	100,000
Chip Richardson Director Oregon, USA	Assistant VP for Wedbush Securities Inc.	May 19, 2020	Nil

Notes:

- (1) The information as to principal occupation, business or employment and share ownership is not within the knowledge of the management of the Company and has been furnished by the respective nominees themselves. This information is current to June 2, 2020
- (2) Member of the audit committee.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, none of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the other directors and senior officers of the Company acting solely in their management capacity.

No proposed nominees for election as a director of the Company is, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that is, or has been, or acted in that capacity for a company that:

- (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (iii) 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.

5. Amendment to Stock Option Plan

The Company has in place a fixed 20% stock option plan which was approved by the shareholders at its October 18, 2017 Annual General Meeting and the TSX Venture Exchange on November 6, 2017 (the “2017 Plan”). The Company intends to amend its 2017 Plan to reserve up to a total of 6,633,656 common shares, being 20% of the current issued and outstanding shares of the Company (the “2020 Amended Plan”). All other terms of the 2020 Amended Plan remain unchanged. The 2020 Amended Plan is attached hereto a Schedule “B”

Approval of Amended Stock Option Plan

At the Meeting, the shareholders of the Company will be asked to approve the following resolutions:

“BE IT RESOLVED that:

1. the Company’s 2020 Amended Plan be and it is hereby ratified and approved;
2. the Board of Directors of the Company be authorized to grant options under and subject to the terms and conditions of the 2020 Amended Plan, which may be exercised to purchase up to an aggregate of 6,633,656 common shares, being 20% of the issued and outstanding common shares of the Company; and
3. the directors and officers of the Company be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions.”

Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.

6. Disinterested Approval of Prior Stock Option Grants

On February 7, 2020 the Company granted 2,500,000 stock options to certain directors, officers and consultants of the Company. The 2,500,000 stock options were granted in excess of the reserved number of options allowable pursuant to the Company’s 2017 Plan (the “February Option Grants”).

The February Option Grants were conditional upon the shareholders approving the amendments to the Company’s Stock Option Plan described in Item 5 and ratifying and approving the February Option Grants.

Particulars of the February Option Grants are as follows:

Name of Optionee	Date of Grant	Number of Options	Exercise Price	Expiry Date
Robert Setter	February 7, 2020	400,000	\$0.05	February 7, 2025
Ryan Goodman	February 7, 2020	150,000	\$0.05	February 7, 2025
James Hellwarth	February 7, 2020	200,000	\$0.05	February 7, 2025
Tina Whyte	February 7, 2020	350,000	\$0.05	February 7, 2025
Various consultants	February 7, 2020	1,400,000	\$0.05	February 7, 2025

At the Meeting, disinterested shareholders of the Company will be asked to approve the following resolutions, provided the amendments to the Company’s 2020 Amended Plan described in 5 are ratified and approved by the shareholders:

“BE IT RESOLVED that:

1. The 2,500,000 stock options granted in excess of the previously reserved 2017 Plan number are hereby ratified and approved; and
2. the directors and officers of the Company be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions.”

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote “FOR” the ordinary resolution. In order to be effective, the foregoing ordinary resolution must be approved by a majority of the votes cast by those disinterested shareholders of the Company, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolution.

OTHER MATTERS

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the common shares represented by the proxies solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com. Financial information concerning the Company is provided in its comparative financial statements and management's discussion and analysis ("**MD&A**") for the Company's most recently completed financial year ended December 31, 2019. Copies of this information are available by contacting the Company at its offices located at 1220 – 789 West Pender Street, Vancouver, BC, V6C 1H2, (236)521-0207; info@fusecobalt.com.

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing has been authorized by the Board.

Dated this 2nd day of June, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"Robert Setter"

Robert Setter
President, CEO & Director

SCHEDULE "A"

FUSE COBALT INC. (formerly LiCo Energy Metals Inc.) (the "Company")

Charter of the Audit Committee of the Board of Directors

1. Overall Purpose / Objectives

The Audit Committee will assist the Board of Directors (the "Board") in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

2. Authority

The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.

3. Organization

Membership

- 3.1 The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Company.
- 3.2 The chairman of the Audit Committee will be nominated by the committee from time to time.
- 3.3 A quorum for any meeting will be two members.
- 3.4 The secretary of the Audit Committee will be the Company secretary, or such person as nominated by the Chairman.

Attendance at Meetings

- 3.5 The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.
- 3.6 Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it isn't necessary.
- 3.7 The proceedings of all meetings will be minuted.

4. Roles and Responsibilities

The Audit Committee will:

- 4.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- 4.2 Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

- 4.3 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 4.4 Review any legal matters which could significantly impact the financial statements as reported on by the chief financial officer and meet with outside counsel whenever deemed appropriate.
- 4.5 Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- 4.6 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- 4.7 Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- 4.8 Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- 4.9 Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- 4.10 Evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
- (a) actual financial results for the interim period varied significantly from budgeted or projected results;
 - (b) generally accepted accounting principles have been consistently applied;
 - (c) there are any actual or proposed changes in accounting or financial reporting practices;
 - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- 4.11 Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 4.12 Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Board authorizes the Chairman of the Audit Committee to approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non audit or additional work.
- 4.13 Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.
- 4.14 Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- 4.15 Review and approve the Company's hiring policies regarding partners, employers and former partners and employees of the present and former external auditors of the Company.
- 4.16 Establish a procedure for:
- (a) the confidential, anonymous submission by employees of the Company of concerns regarding

questionable accounting or auditing matters;

- (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.

4.17 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

4.18 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

4.19 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

4.20 Perform other functions as requested by the full Board.

4.21 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

4.22 Review and recommend updates to the charter; receive approval of changes from the Board.

4.23 With regard to the Company's internal control procedures, the Audit Committee is responsible to:

- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those related to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management; and
- (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Audit Committee may deem appropriate; and
- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

Audit Committee Oversight

At no time since the commencement of the Company'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 Company's most recently completed financial year has the Company 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.

SCHEDULE "B"

FUSE COBALT INC. (the "Company")

SHARE OPTION PLAN

Dated for Reference June 2, 2020.

ARTICLE 1 PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies and any inconsistencies between this Plan and TSX Venture Policies will be resolved in favour of the latter.

Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
 - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
 - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

- (f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture;

- (g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:
- (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
- (i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) **Directors** means the directors of the Company as may be elected from time to time;
- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date** for an Option means the date of grant thereof by the Board;
- (o) **Employee** means:
- (i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (w) **Officer** means a Board appointed officer of the Company;
- (x) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (y) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (z) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (aa) **Optionee** means the recipient of an Option hereunder;
- (bb) **Outstanding Shares** means at the relevant time, the number of issued and outstanding shares of the Company from time to time;
- (cc) **Participant** means a Service Provider that becomes an Optionee;
- (dd) **Person** includes a company, any unincorporated entity, or an individual;
- (ee) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (ff) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (gg) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (hh) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ii) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (jj) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (kk) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- (ll) **Take Over Bid** means a take over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

(mm) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and

(nn) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies, will have the meaning assigned to them in the TSX Venture Policies.

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan being **6,633,656**, equal to 20% of the issued and outstanding Common Shares of the Company, as approved by the Company shareholders, unless the Plan is amended pursuant to the requirements of the TSX Venture Policies.

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture; and

- (c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

(a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:

(i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;

(ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,

(iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or

(b) any reduction in the Exercise Price of an Option previously granted to an Insider.

Options Granted Under the Company's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3

TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

(a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

(b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding §3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

Effect of Take Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

Extension of Options Expiring During Blackout Period

3.10 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.10 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.12 Subject to §3.11, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;
- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE 4
COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.3.

Tax Withholding and Procedures

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

Delivery of Optioned Shares and Hold Periods

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is below the current market price of the Common Shares on the TSX Venture at the time of grant, or if otherwise required pursuant to TSX Venture Policies, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment. If the Exercise Price is at the current market price of the Common Shares on the TSX Venture Exchange at the time of grant to Insiders, or if otherwise required pursuant to the TSX Venture Policies, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 5
GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Amendment of the Plan

5.4 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

SCHEDULE "A"
SHARE OPTION PLAN
(the "Plan")

OPTION COMMITMENT

Notice is hereby given that, effective this ____ day _____, 20__ (the "Effective Date") **FUSE COBALT INC.** (the "Company") has granted to _____, as a _____ of the Company (the "Optionee"), an Option to acquire _____ Common Shares ("Optioned Shares") of the Company up to 5:00 p.m. Vancouver Time on the ____ day of _____, 20__ (the "Expiry Date") at an Exercise Price of \$__ per share.

The Optioned Shares are fully vested

Or

Optioned Shares will vest [insert vesting schedule and terms].

Any shares issued to you as a result of the exercise of the Option may be subject to a four month and a day hold period from the Effective Date as required by the TSX Venture Exchange (the "Exchange"). Share certificates representing any shares issued prior to the expiry of four months and a day from the Effective Date will contain a legend in substantially the following form:

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE (THE "**EXCHANGE**") AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL _____".

The Option shall expire ____ days after the Optionee ceases to provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice (as attached hereto) specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate or written notice in the case of uncertificated shares for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter.

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under Exchange Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture on the date of this Option Commitment.

FUSE COBALT INC.

Per:

«Optionee»

FUSE COBALT INC.

SHARE OPTION PLAN DATED JUNE 2, 2020
AS APPROVED FOR RENEWAL BY THE SHAREHOLDERS ON JULY 7, 2020
(the "Plan")

EXERCISE FORM

Notice is hereby given that, effective this ___ day of ___, 20__ the undersigned wishes to exercise options (the "Options") to purchase ___ Common Shares ("Option Shares") of FUSE COBALT INC. (the "Company") at an Exercise Price of \$ ___ per share as granted to the undersigned on ___ for a total Exercise Price of Cdn\$ ___. Enclosed herewith is a cheque in the amount of Cdn\$ ___, in full payment of the Exercise Price.

The Exercise of the Option evidenced hereby is made subject to the terms and conditions of the Company's 2020 Plan.

As a condition of exercise, the undersigned represents, warrants and agrees as follows:

- (i) that all Option Shares are being acquired solely for his, her, or its own account and not on behalf of any other person or entity; and
(ii) that no Option Shares will be sold or otherwise distributed in violation of the Securities Act (British Columbia) or the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other applicable federal, provincial, or state securities laws.

The undersigned acknowledges that Option Shares issued to U.S. Persons (as such term is defined in Regulation S under the Securities Act) will be issued with a restrictive legend relative to such Act.

[Optionee]

Signature of Optionee or Authorized Signatory of Purchaser

Address

FUSE COBALT INC.

Received by: _____

Name: _____

Title: _____

Date: _____