

YUBBA CAPITAL CORP.

NOTICE

OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

JUNE 21, 2023

AND

MANAGEMENT INFORMATION CIRCULAR

DATED MAY 22, 2023

YUBBA CAPITAL CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT an annual general and special meeting (the “**Meeting**”) of the shareholders of Yubba Capital Corp. (the “**Corporation**”) will be held on June 21, 2023 at 11:00 a.m. (Toronto time) by Zoom video conference (“**Zoom**”) (but shareholders will not be permitted to vote over Zoom) at the following link <https://us06web.zoom.us/j/82557437382?pwd=ZXdaS1J4MFRJWjhVUXd3M3NiYjQ3UT09> for the following purposes:

1. to consider and, if deemed appropriate, to pass, with or without variation, a special resolution approving the amendment of the articles of the Corporation to change the name of the Corporation to “Impact Development Group Inc.”, or such other similar name as may be determined by Impact Housing Corporation (“**IHC**”) conditional on and effective upon the completion of the proposed qualifying transaction of the Corporation with IHC (the “**Transaction**”);
2. conditional on and effective upon the completion of the Transaction, to consider and, if deemed appropriate, to pass, with or without variation, a special resolution approving an amendment to the articles of the Corporation to reflect the consolidation of the issued and outstanding common shares in the capital of the Corporation (the “**Common Shares**”) on the basis of one post-consolidation Common Share for every 26.0903 pre-consolidation Common Shares;
3. to elect the directors of the Corporation that will hold office until the earlier of: (a) the next annual meeting of shareholders of the Corporation, (b) the completion of the Transaction, or (c) his/her successor is duly elected or appointed in accordance with the *Business Corporations Act* (Ontario) and the By-Laws of the Corporation, unless his/her office is vacated earlier.
4. conditional on and effective upon the completion of the Transaction, to elect the directors of the Corporation, as more fully described in the management information circular in respect of the Meeting (the “**Circular**”) accompanying this notice of Meeting;
5. to reappoint MNP LLP as the auditors of the Corporation to hold office until the close of the next annual meeting of shareholders of the Corporation and authorize the directors to fix their remuneration as such;
6. conditional on and effective upon the completion of the Transaction, to appoint MNP LLP as the auditors of the Corporation, as more fully described in the Circular;
7. to receive and consider the audited financial statements for the last two financial years ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021 (the “**Financial Statements**”) and corresponding auditor’s reports;
8. to consider and, if deemed appropriate, to pass an ordinary resolution of disinterested shareholders, approving a new omnibus equity incentive plan of the Corporation, conditional on and effective upon completion of the Transaction, in the form set out as Schedule “B” to the Circular; and
9. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve, for the ensuing year, the Corporation’s incentive stock option plan; and
10. to transact such other business as may be properly brought before the Meeting or any postponement or adjournment thereof.

Information relating to the items above is set forth in the Circular. Only shareholders of record as of May 15, 2023, (the “**Record Date**”), are entitled to notice of the Meeting and to vote at the Meeting and at any adjournment or postponement thereof.

IMPORTANT

It is desirable that as many common shares as possible be represented at the Meeting. If you would like your common shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all instruments of proxy must be delivered to the Proxy Department of TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1 not later than 48 hours, excluding Saturdays, Sundays and statutory holidays in the City of Toronto, prior to the time of the Meeting or any postponement or adjournment thereof. Late instruments of proxy may be accepted or rejected by the chair of the Meeting in his or her discretion but he or she is under no obligation to accept or reject any particular late instruments of proxy.

Due to the ongoing concerns related to the spread of the coronavirus (COVID-19) and in order to protect the health and safety of shareholders, employees, other stakeholders and the community, shareholders must vote on the matters before the Meeting by submitting their instrument of proxy in advance of the Meeting but are encouraged to attend the Meeting via Zoom.

In order to dial into the Meeting, Shareholders will phone +12042727920,,82557437382#,,,,*111# Canada and enter the Meeting ID and Password noted below:

Meeting ID: 825 5743 7382

Passcode: 111

In order to access the Meeting through Zoom, Shareholders will need to download the application, load the application and enter the Meeting ID and Password above or open the following link:

Zoom Link: <https://us06web.zoom.us/j/82557437382?pwd=ZXdaS1J4MFRJWjhVUXd3M3NiYjQ3UT09>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

DATED at Toronto, Ontario this May 22nd 2023.

By order of the board of directors of YUBBA CAPITAL CORP.

signed "Jason Smart"

Jason Smart
Chief Executive Officer, Chief Financial Officer, Secretary
and Director

TABLE OF CONTENTS

YUBBA CAPITAL CORP.....	4
MANAGEMENT INFORMATION CIRCULAR.....	4
GENERAL PROXY INFORMATION	4
Solicitation of Proxies	4
Appointment, Time for Deposit and Revocation of Proxies.....	4
Appointment of a Proxy	4
Non-Registered Holders	5
Revoking a Proxy	6
Signature on Proxies	6
Voting of Proxies	6
INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON	6
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES	6
EXECUTIVE COMPENSATION.....	7
Compensation Discussion and Analysis.....	7
Director and Named Executive Officer Compensation	7
Stock Options and Compensation Securities.....	8
Stock option plans and other incentive plans	8
Employment, consulting, and management agreements.....	9
Pension and Other Benefit Plans	9
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS	9
INDEBTEDNESS OF DIRECTORS AND OFFICERS	9
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	10
CORPORATE GOVERNANCE	10
Board of Directors	10
Directorships	10
Orientation and Continuing Education	10
Ethical Business Conduct	11
Nomination of Directors.....	11
Compensation.....	11
Other Board Committees	11
Assessments.....	11
AUDIT COMMITTEE	11
Audit Committee Charter	11
Composition of the Audit Committee.....	11
Relevant Education and Experience	12
Promoter	12
Audit Committee Oversight	12
Reliance on Certain Exemptions	12
Pre-Approval Policies and Procedure.....	12
External Auditor Service Fees (By Category)	13
QUALIFYING TRANSACTION.....	13

PARTICULARS OF MATTERS TO BE ACTED UPON	14
1. Corporation Name Change.....	14
2. Consolidation of Common Shares.....	14
3. Election of directors	15
4. Election of Post-Transaction Directors	17
5. Appointment of Auditors	19
6. Appointment of Post-Transaction Auditors	19
7. Presentation of Financial Statements	20
8. Adoption of a new Omnibus Equity Incentive Plan for the Resulting Issuer.....	20
ADDITIONAL INFORMATION.....	21
BOARD APPROVAL	22
AUDIT COMMITTEE CHARTER.....	A-1
OMNIBUS INCENTIVE PLAN	B-1

YUBBA CAPITAL CORP.

MANAGEMENT INFORMATION CIRCULAR

This management information circular (this “**Circular**”) is provided in connection with the solicitation of proxies by management of Yubba Capital Corp. (the “**Corporation**”).

Information in this Circular is given as of May 22, 2023 (the “**Effective Date**”), except as otherwise indicated. Unless otherwise indicated, dollar amounts are expressed in Canadian dollars.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The information contained in this Circular is furnished to the holders (“**Shareholders**”) of common shares of the Corporation (the “**Common Shares**”) in connection with the solicitation by management of the Corporation of proxies to be voted at the annual general and special meeting of Shareholders (the “**Meeting**”). The Meeting will be held on June 21, 2023 at 11:00 a.m. (Toronto time), or at such other time or place to which the Meeting may be postponed or adjourned, for the purposes set forth in the notice of meeting accompanying this Circular (the “**Notice**”) by Zoom video conference (“**Zoom**”) as decided by the board of directors of the Corporation (the “**Board**”) pursuant to the Corporation’s by-laws at the following link: <https://us06web.zoom.us/j/82557437382?pwd=ZXdaS1J4MFRJWjhVUXd3M3NiYjQ3UT09>

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication. The cost of any such solicitation will be borne by the Corporation. The Corporation will pay reasonable expenses of persons who are the registered but not beneficial owners of common shares for forwarding copies of the Notice, Instrument of Proxy (as hereinafter defined), Circular and related material to beneficial owners.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (the “**Instrument of Proxy**”). Each Shareholder who is entitled to attend at Shareholders’ meetings is encouraged to participate in the Meeting via Zoom and Shareholders are urged to vote on matters to be considered by proxy.

All Shareholders must vote by submitting their completed Instrument of Proxy (or voting instruction form) prior to the Meeting by one of the means described in this Circular.

Appointment, Time for Deposit and Revocation of Proxies

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Instrument of Proxy to the Proxy Department of TSX Trust Company at 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1 (the “Transfer Agent**”).** As an alternative to completing and submitting a proxy for use at the Meeting, a Shareholder may vote electronically on the internet at www.voteproxyonline.com or by fax by submitting the Instrument of Proxy to the Transfer Agent at 416-595-9593. Votes cast electronically or by fax are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper Instrument of Proxy. Shareholders who wish to vote using internet or by fax should follow the instructions provided in the enclosed Instrument of Proxy. Votes cast electronically or by fax must be submitted no later than 11:00 a.m. (Toronto time) on June 19, 2023, or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

The persons named as proxyholders in the Instrument of Proxy accompanying this Circular are directors or officers of the Corporation and are representatives of the Corporation’s management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) as his, her or its representative at the Meeting may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person’s name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid Instrument of

proxy. In either case, the completed Instrument of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies.

In order to validly appoint a proxy, Instruments of Proxy must be received by the Proxy Department of the Transfer Agent at 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1 at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the City of Toronto, prior to the time of the Meeting or any adjournment thereof. After such time, the chair of the Meeting may accept or reject an Instrument of Proxy delivered to him or her in his or her discretion but is under no obligation to accept or reject any particular late Instrument of Proxy.

Non-Registered Holders

The information set forth in this section is important to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name and thus are considered non-registered beneficial shareholders. Only registered holders of Common Shares or the persons they appoint as their proxyholder are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited, which acts as a nominee for many Canadian Brokerage firms) of which the Intermediary is a participant. Non-Registered Holders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. In accordance with the requirements of the Canadian Securities Administrators (the “**CSA**”), the Corporation will have distributed copies of the Notice, the Circular and the enclosed Instrument of Proxy to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. If you are a Non-Registered Holder, your Intermediary will be the entity legally entitled to vote your Common Shares upon the instructions of the Non-Registered Holder and without specific instructions, Intermediaries are prohibited from voting Common Shares.

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

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

A Non-Registered Holder may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their Intermediary. However, a Non-Registered Holder may be appointed as a proxy holder for the Intermediary and can attend the Meeting in that capacity.

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

The purpose of the above-noted procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Non-Registered Holders should carefully follow the instructions and procedures of their Intermediary or Broadridge, as applicable, including those regarding when and where the Instrument of Proxy or voting instruction form is to be delivered.

Pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) the Corporation is distributing copies of proxy-related materials in connection with the Meeting directly to non-objecting beneficial owners of Common Shares. The Corporation is not relying on the notice and access delivery procedures to distribute copies of proxy-related materials in connection with the Meeting. The Corporation will pay the reasonable costs of Intermediaries to deliver copies of the proxy-related materials to objecting beneficial owners.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed in the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the offices of the Corporation’s Transfer Agent at 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or deposited with the chair of the Meeting on the day of the Meeting, or any adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Signature on Proxies

The Instrument of Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person’s capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxyholder on how to vote his, her or its Common Shares by completing the blanks on the Instrument of Proxy. **Common Shares represented by the enclosed Instrument of Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such Common Shares will be voted IN FAVOUR OF PASSING THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW.** If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Instrument of Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. As at the date of this Circular, the management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON

Except as disclosed below, no director or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Shareholders of record as of May 15, 2023 (the “**Record Date**”) are entitled to receive notice and attend and vote at the Meeting. As at the Record Date, the Corporation had 5,220,000 issued and outstanding Common Shares, fully paid and non-assessable. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting.

Except as disclosed below, to the knowledge of the directors and senior officers of the Corporation, as of the Effective Date, no shareholder beneficially owned, directly or indirectly or exercised control or direction over more than 10% of the issued and outstanding Common Shares.

Name⁽¹⁾	Number of Common Shares	Percentage of Issued and Outstanding Common Shares
1282484 B.C. Ltd. (1)	2,100,000	40.22%

Notes:

(1) A corporation owned and controlled by Jason Smart, CEO, CFO and Director of the Corporation.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

All capitalized terms used herein shall have the meaning ascribed thereto in the TSX Venture Exchange (“TSXV”) Policy 2.4 Capital Pool Companies Policy (the “CPC Policy”), unless otherwise defined herein. Subject to sections 7.2(a) and (b) of the CPC Policy, no payment of any kind may be made, directly or indirectly, by the capital pool company (“CPC”) to a non-arm’s length party (“Non-Arm’s Length Party”) to the CPC or to a Non-Arm’s Length Party to the qualifying transaction (the “Qualifying Transaction”), or to any person engaged in Investor Relations Activities, promotional or market-making services in respect of the CPC or the securities of the CPC or any Resulting Issuer, by any means including: (a) remuneration, which includes, but is not limited to: salaries, consulting fees, management contract fees or directors’ fees, finder’s fees, loans, advances, bonuses; and (b) deposits and similar payments until the completion of the Qualifying Transaction.

As a result of the Corporation being a CPC, the only compensation that is permitted to the directors, officers, employees and consultants of the Corporation, is the granting of incentive stock options. The objective and purpose of any incentive stock options is to encourage the Corporation's officers and directors to find a Qualifying Transaction that is in the best interest of the Shareholders. If a Qualifying Transaction is not successfully completed, or if one is completed that does not increase the value of the Common Shares during the term of the incentive stock option, the directors and officers will receive no benefit, or very little benefit, from any incentive stock options.

Director and Named Executive Officer Compensation

The following disclosure of compensation earned by certain executive officers and directors of the Corporation in connection with their office or employment with the Corporation is made in accordance with the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations*. Disclosure is required to be made in relation to named executive officers (the “Named Executive Officers” or “NEOs”), being those individuals who served as Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and the next most highly compensated executive officers, other than the CEO and CFO, whose total compensation was, individually, more than \$150,000 for the financial period from January 8, 2021 (date of incorporation) to December 31, 2021, and financial year ended December 31, 2022.

There was one (1) NEOs during the financial period from January 8, 2021 (date of incorporation) to December 31, 2021 and financial year ended December 31, 2022, Jason Smart CEO, CFO, Corporate Secretary and Director.

The following table sets forth, for the period from January 8, 2021 (date of incorporation) to December 31, 2021, and financial year ended December 31, 2022, information concerning the total compensation paid to directors and NEOs.

Table of Compensation excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jason Smart ⁽¹⁾ <i>CEO, CFO, Corporate Secretary and Director</i>	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Brian Morales <i>Director</i>	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Ted Yew ⁽²⁾ <i>Director</i>	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Stock Options and Compensation Securities

There were no incentive stock options granted or issued to the Corporation’s directors or NEOs during the most recently completed financial year ended December 31, 2022, for services provided or to be provided, directly or indirectly, to the Corporation.

Stock option plans and other incentive plans

In January 2021, the Corporation adopted a stock option plan (the “**Option Plan**”), which permits the Board to grant options to purchase up to 10% of the aggregate issued and outstanding Common Shares at the date of the grant. The Option Plan is the Corporation’s only equity compensation plan.

As of the date of this Management Information Circular, the Corporation has granted 300,000 options to purchase Common Shares of the Corporation.

The purpose of the Option Plan established by the Corporation, pursuant to which it may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares. Pursuant to the Option Plan, the aggregate number of Common Shares reserved for issuance to any director, officer, employee (part-time or full-time) or service provider, other than a consultant, in any 12 month period may not exceed 5% of the Corporation’s total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained. No more than 2% of the total issued and outstanding Common Shares at the time of grant may be granted to any one consultant in any 12 month period.

Incentive stock options may not be exercised before the completion of the Qualifying Transaction unless the optionee agrees in writing to deposit the shares acquired into escrow until the issuance of the Final Exchange Bulletin (as defined in TSXV Policy 2.4.

The Option Plan is administered by the Board.

The Option Plan provides for the grant of options to purchase Common Shares to eligible directors, officers, employees, service providers and consultants of the Corporation (“**Participants**”). The number of Common Shares reserved for issuance pursuant to options granted to any one Participant, other than a consultant, shall not, within any 12-month period, exceed 5% of the total number of Common Shares then issued and outstanding unless disinterested shareholder approval is obtained. The number of Common Shares issuable to any insider pursuant to options granted under the Option Plan and all other security-based compensation arrangements of the Corporation shall not, at any time, exceed 10% of the total number of Common Shares then issued and outstanding, unless disinterested shareholder approval is obtained. The number of Common Shares issued to any one person who conducts Investor Relations Activities (as defined in the policies of the TSXV) shall not, within any 12 month period, exceed 2% of the total number of Common Shares then issued and outstanding, provided that while the Corporation is a Capital Pool Company (“**CPC**”), it shall not grant any options to such persons employed in Investor Relations Activities.

The exercise price of an option is set by the Board at the time of grant, but may not be less than the Discounted Market Price (as defined in the Option Plan), provided that: (i) while the Corporation is a CPC, the exercise price shall not be less than the greater of the per share price paid by public investors under the Corporation’s initial public offering and the Discounted Market Price; (ii) if options are granted within 90 days of a distribution by prospectus, the minimum exercise price will be the greater of the Discounted Market Price and the per share price paid by public investors under the distribution; in which case, the 90 day period will commence on the date a final receipt is issued for the prospectus; and (iii) for unit offerings, the minimum exercise price of an option will be the “base” (or imputed) price of the Common Shares included in the unit.

An optionee that ceases to be a Participant (for reasons other than death) has a maximum of 12 calendar months from the date of termination to exercise all existing vested options. In the event of the death of a Participant, the options granted to the Participant shall be exercisable for a period of up to six months from the date of death of the Participant by the legal representative(s) of the Participant's estate. The Option Plan also provides that options granted to any optionee of the Corporation while the Corporation is a CPC, where the optionee does not continue as an "Eligible Person" (as defined in the Option Plan) of the resulting issuer, have a maximum term of the later of 12 months after completion of the Qualifying Transaction and 90 days after the optionee ceases to become an "Eligible Person" of the resulting issuer, following which all rights to purchase Common Shares under such option shall cease and expire and be of no further force or effect.

The Option Plan further provides for the termination of options in the event of a change of control of the Corporation. Pursuant to the terms of the Option Plan, a Participant may exercise his or her options within 90 days of: (i) the acquisition by a person who was not, immediately prior to the effective time of the acquisition, a registered or beneficial shareholder in the Corporation, of Common Shares, options or securities convertible into Common Shares of the Corporation, such that after completion of the acquisition, such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of shareholders; or (ii) the sale by the Corporation of all or substantially all of its property or assets.

The Board may amend or discontinue the Option Plan at any time upon receipt of the requisite regulatory approval(s), including TSXV approval, provided that no such amendment may: (a) increase the maximum number of Common Shares issuable under the Option Plan; (b) change the manner of determining the minimum exercise price; or (c) without the consent of the Participant, alter or impair any of the terms of any option previously granted to such Participant under the Option Plan.

Employment, consulting, and management agreements

The Corporation did not have any employment contracts in place with its directors or NEOs during the financial years ended period from January 8, 2021 (date of incorporation) to December 31, 2021, and financial year ended December 31, 2022.

Pension and Other Benefit Plans

The Corporation has no pension or other benefit plans currently in place.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the securities of the Corporation that are authorized for issuance under the equity compensation plans as of the date hereof.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	Nil	Nil	Nil
Equity compensation plans not approved by securityholders ⁽¹⁾	300,000 Common Shares ⁽³⁾	0.10	N/A ⁽²⁾

Notes:

- (1) Options granted in accordance with CPC Policy and such grants did not require shareholder approval.
- (2) As of the Effective Date, the Corporation had 5,220,000 Common Shares issued and outstanding. Pursuant to the Option Plan (as hereinafter defined), the Corporation is permitted to grant options to purchase up to 10% of the issued number of Common Shares outstanding at the date of the grant.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No directors or officers of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted, directly or indirectly, to the Corporation or its subsidiaries at any time from the date of incorporation of the Corporation to the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time from the date of incorporation of the Corporation to the date hereof, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-101**”) has set out best practice guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NP 58-101 requires the disclosure by each corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance. Below is a description of the Corporation’s corporate governance practices in relation to the Guidelines.

Board of Directors

For the purposes of NP 58-101, a director is considered “independent” if he or she does not have any direct or indirect material relationship with the Corporation. A “material relationship” is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgement. The Board is currently comprised of five members, four of whom the Board has determined are “independent directors” within the meaning of NP 58-101.

Jason Smart is not an independent director since he is also an executive officer of the Corporation. Brian Morales and Ted Yew are independent directors.

The Board assumes overall responsibility for the direction of the Corporation through its delegation to senior management and through the ongoing function of the Board and its committees, as applicable. The sole business activity of the Corporation to date has been the identification of a potential Qualifying Transaction.

Directorships

The table below shows the directors of the Corporation who are directors of other reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)
Brian Morales	Biolife Sciences Inc.	OTC
	Woodbridge Resources Ltd.	N/A
	Talmine Resources Ltd.	N/A

Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as recent financial statements, prospectuses, proxy solicitation materials and various other operating and budget reports) is provided to any new Board member to ensure that new directors are familiarized with the Corporation’s business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Corporation provides continuing education for its directors as the need arises and directors are encouraged to communicate with management and auditors to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to keep themselves up to date with best director and corporate governance practices.

Ethical Business Conduct

The Board expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Corporation's operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. The Corporation does not intend to adopt a formal Code of Business Conduct and Ethics until completion of a Qualifying Transaction, if any.

Nomination of Directors

The Board determines new nominees to the Board. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among members of the Board. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with business knowledge that would assist in guiding the officers of the Corporation.

Compensation

For a discussion on policies and practices by the Board to determine the compensation of the Corporation's directors and named executive officers, see "Executive Compensation – Compensation Discussion and Analysis". The Corporation has not established a compensation committee and does not intend to do so before the completion of a Qualifying Transaction, if any.

Other Board Committees

The Board has no other committees other than the audit committee. As the directors are actively involved in the operations of the Corporation and the size of the Corporation's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Corporation's development.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the audit committee. The Board does not perform a formalized assessment of its members and committees.

AUDIT COMMITTEE

Under National Instrument 52-110 - *Audit Committees* ("NI 52-110"), the Corporation is required to include in this Circular the disclosure required under Form 52-110F2 with respect to the audit committee (the "**Audit Committee**") of the Board, including the composition of the Audit Committee, the text of the Audit Committee charter, and the fees paid to the external auditor.

Audit Committee Charter

The Board adopted an audit committee charter effective to align with the requirements of Section 6.1.1. of NI 52-110. The text of the Audit Committee charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence ⁽¹⁾	Financial Literacy
Jason Smart	Not Independent ⁽²⁾	Financially Literate
Brian Morales ⁽³⁾	Independent	Financially Literate

Edward (Ted) Yew	Independent	Financially Literate
------------------	-------------	----------------------

Notes:

- (1) The Corporation is a “venture issuer” for the purposes of NI 52-110. As such, the Corporation is exempt from the requirement to have the Audit Committee comprised entirely of independent members.
- (2) Jason Smart is not independent because he is the Chief Executive Officer and Chief Financial Officer of the Corporation.
- (3) Chair of the Audit Committee.

Relevant Education and Experience

Jason Smart, Chief Executive Officer, Chief Financial Officer, Secretary and Director (Age: 42)

Mr. Smart has been a seed investor and founder of numerous public and private companies in his almost 20 year career in the capital markets. He was a founder and managing director of a European Financial Services company which had clients all across the globe. Mr. Smart acted as the CEO and a director of Medical Makeover Corp. from 2008 until 2012. In addition, Mr. Smart has been involved and has extensive experience in taking companies public in both North American and European markets through his background involvement as a seed investor.

Edward (Ted) Yew, Director (Age: 49)

Mr. Yew has served as CEO, CFO and Corporate Secretary of several public and private companies as well having served on several boards. In addition, over the past decade, Mr. Yew has started two hedge funds focused on the technology industry. Mr. Yew began his finance career over 15 years ago after obtaining his MBA at Joseph Rotman at University of Toronto and started as an Equity Research Analyst at Credit Suisse Securities Ltd. covering the Metals & Mining Sector.

Brian Joseph Morales, Director (Age: 45)

Mr. Morales is a CPA, CA has served as CFO and Corporate Secretary of several publicly listed mining exploration and development and financial technology companies from 2010 to 2017. He is currently a finance consultant and serves as a director of several reporting issuers. Mr. Morales also acts as the CFO of Waverly Resources Ltd. (formerly, Angus Mining Inc.) a reporting issuer, since August 2011. He has been involved with taking companies public on various exchanges including markets in Canada, the US and in England. Mr. Morales has had a twenty year finance career beginning his career with Ernst & Young LLP and has held finance positions of increasing seniority and complexity including as an equity research analyst with Credit Suisse.

Promoter

Jason Smart is considered to be a Promoter of the Corporation in that he took the initiative in founding and organizing the Corporation.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial period has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1.(4), subsection 6.1.1.(5) and subsection 6.1.1.(6) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 as the Corporation is a “venture issuer”.

Pre-Approval Policies and Procedure

Pursuant to the Audit Committee charter, the Audit Committee is responsible for pre-approving all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation’s external auditor. The Audit Committee is also

responsible for reviewing at least annually, a report from the external auditor on all relationships and engagements for non-audit services that may reasonably be thought to bear on the independence of the auditor.

External Auditor Service Fees (By Category)

The following table provides details in respect of audit, audit related, tax and other fees billed by the Corporation’s external auditor in each of the last four financial years:

Since January 8, 2021 (date of incorporation) to December 31, 2021	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Audit-Related Fees ⁽³⁾	All Other Fees ⁽⁴⁾
	\$19,795	\$3,478	Nil	\$Nil
For the year ended December 31, 2022	\$9,630	Nil	Nil	\$1,284

Notes:

- (1) Includes fees billed for professional services rendered by the auditor for the audit of the Corporation’s annual financial statements, and any reviews of the Corporation’s unaudited interim financial statements.
- (2) Includes fees billed for professional services rendered by the auditor consisting of employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, review of subsidiary financials, and audit or attestation services not required by legislation or regulation.
- (3) Includes fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) Includes fees for all tax services other than those included in “Audit Fees”, “Audit-Related Fees” and “Tax Fees”.

No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

QUALIFYING TRANSACTION

The Corporation entered into a binding share exchange agreement dated April 14, 2023 (the “**SEA Agreement**”) with Impact Housing Corporation (“**IHC**”) in respect of a proposed transaction whereby the Corporation will acquire all of the issued and outstanding shares of IHC, and IHC will become a wholly owned subsidiary of the Corporation, pursuant to which the Corporation will file Articles of Amendment to change its name to “Impact Housing Corporation” (the “**Resulting Issuer**”). If completed, the Transaction is intended to constitute the “**Qualifying Transaction**” of the Corporation under the CPC Policy of the TSX Venture Exchange (the “**TSXV**”). All references herein to the “**Resulting Issuer**” refer to the Corporation after completion of the Transaction.

SHAREHOLDERS ARE NOT REQUIRED TO APPROVE THE TRANSACTION. However, the Transaction is very important to the Corporation and certain matters to be considered at the Meeting are necessary in order to prepare the Corporation to complete the Transaction. Full details regarding IHC and the Transaction is disclosed by the Corporation in a preliminary non-offering prospectus (the “**Prospectus**”) and has been prepared and filed under the CPC Policy. The Prospectus has been posted on SEDAR at www.sedar.com on April 18, 2023. **SHAREHOLDERS ARE URGED TO REVIEW THE PRESS RELEASES ISSUED BY THE CORPORATION ON DECEMBER 1, 2022 AND APRIL 20, 2023 ANNOUNCING THE PROPOSED TRANSACTION AND THE PROSPECTUS OF THE CORPORATION WHICH WAS FILED ON SEDAR ON APRIL 18, 2023 AS THEY CONTAIN IMPORTANT DISCLOSURE REGARDING THE RESULTING ISSUER AND THE TRANSACTION.**

Subject to receipt of all approvals, including from the TSXV, the Transaction is anticipated to close approximately in July 2023. Certain of the resolutions sought to be passed by the Shareholders at the Meeting will be conditions to the completion of the Transaction. Failure to pass these resolutions could impede or prevent the completion of the Transaction.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice of Meeting. These matters are described in more detail under the headings below.

1. Corporation Name Change

Upon completion of the Transaction, it is intended that the business of IHC, as currently contemplated, will be the business of the Corporation. In connection therewith, conditional on and effective upon the completion of the Transaction, the Corporation intends to change its name to “Impact Development Group Inc.”, or such other name proposed by IHC and acceptable to the TSXV (the “**Name Change**”). Management is of the opinion that the Name Change is in the best interests of the Corporation in order to reflect the change in its business activities.

The Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution authorizing the Board, in its sole discretion, to amend the articles of incorporation of the Corporation (the “**Articles**”) to effect the Name Change (the “**Name Change Resolution**”).

The amendment to the Articles to effect the Name Change must be approved by special resolution in order to become effective. To pass, a special resolution requires the affirmative vote of not less than two-thirds of the votes cast by the holders of Common Shares present at the Meeting in person or represented by proxy. The Name Change is required in order to complete the Transaction and if approved, will be given effect immediately prior to the completion of the Transaction. If the Shareholders do not approve Name Change Resolution, the Transaction may not proceed. Shareholders are urged to vote in favour of the Name Change Resolution.

The complete text of the Name Change Resolution is as follows:

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

- (1) the name of the Corporation be changed to “Impact Housing Corporation” or such other name as may be proposed by IHC and acceptable to the TSXV, and the Director appointed under the *Business Corporations Act* (Ontario) (the “**OBCA**”) may permit;
- (2) any one director or officer be and is hereby authorized to send to the Director appointed under the OBCA the articles of amendment of the Corporation in the prescribed form, and any one or more directors are hereby authorized to prepare, execute and file the articles of amendment in the prescribed form in order to give effect to this resolution, and to execute and deliver all such other deeds, documents and other writings and perform such other acts as may be necessary or desirable to give effect to this resolution; and
- (3) notwithstanding approval of the Shareholders of the Corporation as herein provided, the Board may, in its sole discretion, revoke the resolution before it is acted upon without further approval of the Shareholders of the Corporation.”

The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the Name Change Resolution.

2. Consolidation of Common Shares

Reasons for Consolidation

In connection with the Transaction, the Corporation intends to issue Common Shares as consideration to the shareholders of IHC. In order to align the value of the Common Shares to the price per Common Share at which the Transaction will be completed, the Corporation proposes that, subject to obtaining all required regulatory approvals, immediately prior to the completion of the Transaction, the Articles be amended to reflect that the issued and outstanding share capital of the Corporation be consolidated on the basis of one post-consolidation Common Share for every 26.0903 pre-consolidation Common Shares (the “**Consolidation**”).

Effect of Consolidation

If approved and implemented, the Consolidation will occur simultaneously for all of the Corporation's issued and outstanding Common Shares and will occur immediately prior to the completion of the Transaction. The Consolidation ratio will be the same for all such Common Shares and will affect all holders of Common Shares uniformly and will not affect any Shareholder's percentage ownership interest in the Corporation, except to the extent that the Consolidation would otherwise result in any Shareholder owning a fractional Common Share. In the event a Shareholder would be entitled to receive a fractional Common Share after the Consolidation, no such fractional share will be issued and the number of Common Shares to be received by such Shareholder will be rounded down to the next lowest whole number of Common Shares.

As the Corporation currently has an unlimited number of Common Shares authorized for issuance, the Consolidation will not have any effect on the number of Common Shares that remain available for future issuance. The exercise or conversion price and the number of Common Shares issuable under outstanding incentive stock options granted under the Option Plan will be proportionately adjusted if the Consolidation is effected. As at the Record Date, the Corporation has 5,220,000 pre-Consolidation Common Shares issued and outstanding. Upon completion of the Consolidation, the number of post-Consolidation Common Shares issued and outstanding, without giving effect to the Transaction, will be approximately 220,079 post-Consolidation Common Shares (on a non-diluted basis).

Vote Required

The Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, a special resolution authorizing the Board, in its sole discretion, to amend the Articles to effect the Consolidation (the "**Consolidation Resolution**"), the full text of which is set out below. To be effective, the Consolidation must be approved by special resolution in order to become effective. To pass, a special resolution requires the affirmative vote of not less than two-thirds of the votes cast by the holders of Common Shares present at the Meeting in person or represented by proxy. The Consolidation is required in order to complete the Transaction and if approved, will be given effect immediately prior to the completion of the Transaction. If the holders of Common Shares do not approve Consolidation Resolution, the Transaction may not proceed. Shareholders are urged to vote in favour of the Consolidation Resolution.

If the Consolidation is completed, no action will be required by Shareholders to effect the consolidation of their Common Shares. A news release will be issued announcing the effective date of the Consolidation.

The complete text of the Consolidation Resolution is as follows:

"BE IT HEREBY RESOLVED as a special resolution of the Corporation that:

- (1) as part of the closing of the Transaction, a change be made to the number of issued and outstanding common shares of the Corporation (the "**Common Shares**") pursuant to a consolidation of the Common Shares on the basis of one post-consolidation Common Share for every 26.0903 pre-consolidation Common Shares (the "**Consolidation**") is hereby approved;
- (2) no fractional Common Shares shall be issued in connection with the Consolidation and, in the event a Shareholder would otherwise be entitled to receive a fractional Common Share in connection with the Consolidation, the number of Common Shares to be received by such Shareholder shall be rounded down to the next lowest whole number of Common Shares;
- (3) any one director or officer be and is hereby authorized to send to the Director appointed under the *Business Corporations Act* (Ontario) articles of amendment of the Corporation in the prescribed form, and any one or more directors are hereby authorized to prepare, execute and file articles of amendment in the prescribed form in order to give effect to this special resolution, and to execute and deliver all such other deeds, documents and other writings and perform such other acts as may be necessary or desirable to give effect to this special resolution; and
- (4) notwithstanding approval of the shareholders of the Corporation as herein provided, the board of directors of the Corporation may, in its sole discretion, revoke the special resolution before it is acted upon without further approval of the shareholders of the Corporation."

The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the Consolidation Resolution.

3. Election of directors

Shareholders will be asked to elect the three directors to the Board set out in the table below. If elected, each such director (the “**Nominees**”) will be elected to hold office effective until the earlier of: (a) the next annual meeting of shareholders of the Corporation, (b) the completion of the Transaction, or (c) his/her successor is duly elected or appointed in accordance with the *Business Corporations Act* (Ontario) and the By-Laws of the Corporation, unless his/her office is vacated earlier.

Voting for the election of the below named Nominees will be conducted on an individual, and not slate basis. Shareholders can vote for all the Nominees set forth herein, vote for some of them and withhold for others, or withhold for all of them. **It is the intention of the management designees, if named as proxy, to vote FOR the election of said persons to the Board.**

The following is a brief description of the Nominees proposed, including their principal occupation for the past five (5) years, all positions and offices with the Corporation held by them and the number of Common Shares that they have advised are beneficially owned, directly or indirectly, by them or over which control or direction is exercised by them, as of the Record Date.

Name and Place of Residence	Position held with the Corporation and date first appointed to the Board	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled⁽¹⁾
Jason Smart ⁽²⁾ <i>Ontario, Canada</i>	CEO, CFO, Secretary, Director (January 2021)	Managing Director of Fairfax Capital BV from June 2013 to present; Managing Director of Tencap Medical Ltd. from October 2018 to present.	2,100,000 Shares ⁽²⁾ (40.23%)
Brian Morales ⁽²⁾ <i>Ontario, Canada</i>	Director (January 2021)	Finance consultant and Chief Financial Officer of several publicly listed mining exploration and development and financial technology companies from 2010 to 2017.	250,000 Shares (4.8%)
Edward (Ted) Yew ⁽²⁾ <i>Ontario, Canada</i>	Director (January 2021)	Senior Partner of Blocktech Capital since January 2017.	250,000 Shares (4.8%)

Notes:

- (1) Percentages are based on 5,220,000 Common Shares issued and outstanding as of the Effective Date. Information as to the number of Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, not being within the direct knowledge of the Corporation, has been furnished by the respective directors individually or obtained from the System for Electronic Disclosure by Insiders and may include Common Shares owned or controlled by spouses and/or children of such individuals and/or companies controlled by such individuals or their spouses and/or children.
- (2) Member of the Audit Committee.

Corporate Cease Trade Orders, Bankruptcies and Penalties

Except as disclosed below, no director, officer, insider or promoter or a shareholder holding a sufficient number of securities to affect materially the control of the Corporation is, or within 10 years before the date of the Circular, has been, a director, officer, insider or promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Except as disclosed below, none of the proposed directors described above are, as at the date hereof, or have been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Brian Joseph Morales is the CFO of Waverley Resources Ltd. (formerly, Angus Mining Inc.) since August 2011, which was subject to a cease trade order resulting from failure to file financial statements as issued on May 8, 2015 by the Ontario

Securities Commission, May 11, 2015 by the British Columbia Securities Commission and August 21, 2015 by the Alberta Securities Commission. These cease trade orders were revoked on September 18, 2020.

The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR all three (3) of the Nominees as set forth above and therein. The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed Nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying Instrument of Proxy will be voted for another nominee in their discretion unless the Shareholder has specified in his or her form Instrument of Proxy that his or her Common Shares are to be withheld from voting in the election of directors.

Biographical information regarding Nominees is set out below.

For biographical information of Jason Smart, Brian Morales and Ted Yew, see “**Audit Committee – Relevant Education and Experience**”.

4. Election of Post-Transaction Directors

In connection with the Transaction, it is desirable to elect directors of the Corporation to serve from the effective time of the Transaction (the “**Change of Board Time**”) until the close of the next annual meeting of Shareholders of the Corporation or until their successors are elected or appointed (the “**New Nominees**”).

It is a condition to the completion of the Transaction that the New Nominees, comprised of five (5) individuals be elected, effective at the Change of Board Time, as directors of the Resulting Issuer.

At the time of the Meeting, the Transaction will not yet have been completed and there can be no assurance at that time that it will be completed.

Voting for the election of the below named directors comprising the New Nominees will be conducted on an individual, and not slate basis. Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. **It is the intention of the management designees, if named as proxy, to vote FOR the election of said persons to the board of directors.**

See below for detailed information concerning the New Nominees.

New Nominees

The following table sets forth the name of each of the persons proposed to be nominated for election as a director of the Corporation as part of the New Nominees, all positions and offices in the Corporation presently held by such nominees, the nominees’ municipality and country of residence, principal occupation within the five preceding years, the period during which the nominees have served as directors, and the number and percentage of Common Shares beneficially owned by the nominees, directly or indirectly, or over which control or direction is exercised.

Name and Place of Residence	Position to be held with the Resulting Issuer	Principal Occupations for the Past 5 Years	Number and Percentage of Common Shares Beneficially Owned or Controlled upon completion of the Transaction
Thomas Wenz Denver, Colorado, USA	Chief Executive Officer and Director	Thomas Wenz, CEO, IHC (2020-2023), prior to that was CFO of Clearas Water Recovery, Inc, (2017-2020)	Nil Nil%
Joshua Lebovic Toronto, Ontario, Canada	Director	CEO and director of Black Swan Strategy, (2020 – present); CFO and VP Finance, Cryptologic Corp., (2018 – 2020); CFO, Venzee (2017-2018)	20,007 0.15%
Oscar Hilt Tatum	Director	Managing Partner, Qwantiv	2,305,470

Name and Place of Residence	Position to be held with the Resulting Issuer	Principal Occupations for the Past 5 Years	Number and Percentage of Common Shares Beneficially Owned or Controlled upon completion of the Transaction
Dubai, United Arab Emirates		Technology Trading LLC (2021 – Present); CEO, Dale Ventures FZE (2023 – Present); CEO Impact Housing Corporation (2017 – 2020)	17.52%
Raymond D. Harari Panama City, Republic of Panama	Director	Principal of Canalis Capital Group, (2018 – Present); Analyst at Credicorp Securities, (2017 – 2018); Analyst at Regency Group, (2016 – 2017)	Nil Nil%
Sophie Galper-Komet Toronto, Ontario, Canada	Director	Founder, Wisdom Star (2023-present); COO, BST Canada (2019-2022); Principal, Business Scope international (2009-2018)	Nil Nil%

Biographical information regarding the New Nominees is set out below.

Thomas Wenz – Proposed CEO and Director. Mr. Wenz has over 15 years of executive level business management and operational experience with both the corporate level and entrepreneurial start-up companies. He has extensive experience in mergers, acquisitions, debt and equity corporate transactions and experience in managing and motivating teams within high growth organizations as well as board experience in developing and managing key customer and vendor relationships, company strategy, goals, business planning, technology development and budget allocation. Mr. Wenz obtained his MBA from the University of Montana (1999).

Joshua Lebovic – Proposed Director. Mr. Lebovic brings more than ten years of experience managing public and private businesses from start-ups to multi-billion-dollar enterprises. Recently, Mr. Lebovic, acting as CFO, has successfully listed Mednow (MNOW:TSXV) and General Assembly (GA:TSXV) on the Exchange and Sprout AI (BYFM:CSX) on the Canadian Securities Exchange, helping secure financing in excess of CA\$50 million across all three companies.. Mr. Lebovic was formerly interim CFO of Cryptologic Corp., a company specializing in mining of cryptocurrencies. Previously, he was CFO of Venzee Technologies, a software-as-a-service based technology platform specializing in data transformation. Mr. Lebovic holds a Bachelor of Commerce degree from McGill University (2007) and is a Chartered Professional Accountant.

Raymond D. Harari – Proposed Director. Raymond David Harari Benaim, NACD.DC, born and raised in Panama, is the founder of Canalis Capital, an innovative and opportunistic family office, focused on building, advising, scaling, and listing pioneering companies in high growth industries. Prior to founding Canalis, Mr. Harari worked at Credicorp Bank in its private wealth group in Panama and Nomura's consumer and retail investment banking group in New York City. In 2014, Mr. Harari graduated with honors from the University of Pennsylvania with a Bachelor of Science in systems engineering and a minor in engineering entrepreneurship and mathematics. Mr. Harari is an active director and advisor across the mining, plant medicine, e-sports, renewable energy, real estate, and technology sectors. He also served as the deputy director of the Chamber of Commerce, Industry and Agriculture of Panama and is a recipient of the NACD.DC designation from the National Association of Corporate Directors.

Sophie Galper-Komet – Proposed Director. Ms. Galper-Komet is a founder of Wisdom Star, a boutique consultancy that provides C-level executive corporate services to corporate clients and qualified investors in a wide variety of industries. Prior to her work at Wisdom Star, Ms. Galper-Komet has served as Chief Operating Officer of a private real estate investment company. Prior to this role, she served as the principal and owner of Business Scope International, a private consultancy firm focused on corporate strategy, funding solutions, and corporate governance services for an array of corporate clients. In addition, Ms. Galper-Komet's has served on the board of directors of numerous public companies and financial institutions,

both on the Exchange and Tel Aviv Stock Exchange, including serving several stints as the chair of several board committees, as well as the advisory boards roles. Ms. Galper-Komet possesses over 20 years corporate finance experience with a focus on initial public offerings, bond offerings, mergers and acquisitions and private equity solutions. Ms. Galper-Komet obtained her MBA from Tel Aviv University (2001).

Oscar Hilt Tatum IV – Proposed Director. Mr. Tatum IV serves as CEO of iPoint Capital Partners and is responsible for the private equity, venture capital and alternative investment branches of the firm. He presently serves on the executive committee and board of directors of over half a dozen portfolio companies. In addition, he has founded over a dozen companies in a number of business sectors, guiding them through all phases of growth and development. Mr. Tatum IV has managed over 3,000 employees in 20 countries and led the funding, acquisition and exit of multiple businesses. Mr. Tatum IV obtained his post graduate diploma in Global Business from the University of Oxford (2013).

Corporate Cease Trade Orders, Bankruptcies and Penalties

No proposed director of the Resulting Issuer upon completion of the Transaction as at the Effective Date is, or has been within the past 10 years prior to the Effective Date, a director, officer or promoter of any other issuer that, while such person was acting in that capacity, was (a) the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under applicable securities law for a period of more than 30 consecutive days that was issued while the proposed director was acting as director, chief executive officer or chief financial officer, or (b) was declared bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No proposed director of the Resulting Issuer upon completion of the Transaction as at the Effective Date is (or any personal holding company of any such individual) or has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR all five (5) of the directors as set forth above and therein. The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying Instrument of Proxy will be voted for another nominee in their discretion unless the Shareholder has specified in his or her form Instrument of Proxy that his or her Common Shares are to be withheld from voting in the election of directors. Each director elected as a New Nominee director will hold office from the Change of Board Time until the next annual meeting of Shareholders or until their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the articles and by-laws of the Corporation or the provisions of the *Business Corporations Act* (Ontario). If the Transaction is not completed, the current directors of the Corporation will continue to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed.

5. Appointment of Auditors

It is proposed that MNP LLP, the current auditors of the Corporation, be reappointed as auditors of the Corporation at the Meeting. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the reappointment of MNP LLP as the auditors of the Corporation to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the directors. MNP LLP has been the Corporation's auditors since inception in January 2021.

The Board unanimously recommends that Shareholders vote in favour of the reappointment of MNP LLP, and the authorization of the Board to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

6. Appointment of Post-Transaction Auditors

In connection with the Transaction, it is desirable to appoint MNP LLP as the auditors of the Resulting Issuer to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the directors. At the time of the Meeting, the Transaction will not yet have been completed and there can be no assurance at that time that it will be completed.

The Board unanimously recommends that Shareholders vote in favour of the appointment of MNP LLP and the authorization of the Board to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

The directors of the Corporation recommend that the Shareholders approve the auditors. It is intended that all management proxies received will be voted in favour of the approval of the auditors for the ensuing year, unless a proxy contains specific instructions to vote against such resolution.

7. Presentation of Financial Statements

The audited financial statements of the Corporation for the years ended December 31, 2022 and 2021 and the report of the auditors thereon will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Corporation are available under the Corporation's profile at www.sedar.com.

8. Adoption of a new Omnibus Equity Incentive Plan for the Resulting Issuer

At the Meeting, Shareholders will be asked to consider, and, if deemed appropriate, to pass an ordinary resolution of disinterested shareholders in the form set out below (the "**Resulting Issuer Equity Incentive Plan Resolution**"), approving a new omnibus equity incentive plan for the Resulting Issuer conditional on and effective upon the completion of the Transaction in the form set out as Schedule "B" hereto (the "**Resulting Issuer Equity Incentive Plan**").

The purpose of the Resulting Issuer Equity Incentive Plan is to advance the interests of the Resulting Issuer through the motivation, attraction and retention of key employees, consultants and directors of the Resulting Issuer and designated affiliates of the Resulting Issuer and to secure for the Resulting Issuer and the Shareholders of the Resulting Issuer the benefits inherent in the ownership of common shares of the Resulting Issuer ("**Resulting Issuer Shares**") by key employees, consultants and directors of the Resulting Issuer and the designated affiliates of the Resulting Issuer through the granting of non-transferable options ("**Options**") and restricted share units ("**RSUs**", and together with the Options, collectively, the "**Awards**") to eligible participants under the Resulting Issuer Equity Incentive Plan.

The aggregate number of Resulting Issuer Shares reserved for issue under the Resulting Issuer Equity Incentive Plan may not exceed ten percent (10%) of the Resulting Issuer Shares then outstanding, unless disinterested Shareholder approval is received; provide that the maximum number of the Resulting Issuer Shares reserved for issuance, in the aggregate, pursuant to the Awards granted under the Resulting Issuer Equity Incentive Plan, at any point in time, shall be equal to 10% of the number of the Resulting Issuer Shares then outstanding unless disinterested shareholder approval is obtained. The Resulting Issuer Equity Incentive Plan is a "rolling" maximum share omnibus plan, and any increase or reduction in the number of outstanding Resulting Issuer Shares will result in an increase or reduction, respectively, in the number of Resulting Issuer Shares that are available to be issued under the Resulting Issuer Equity Incentive Plan.

The maximum number of Resulting Issuer Shares reserved for issue pursuant to Awards granted to participants who are insiders of the Resulting Issuer in any twelve (12) month period may not exceed, in the aggregate, ten percent (10%) of the number of Resulting Issuer Shares then outstanding, unless disinterested Shareholder approval is received. The maximum number of Resulting Issuer Shares reserved for issue pursuant to Awards granted under the Resulting Issuer Equity Incentive Plan to any one participant in any twelve (12) month period shall not exceed five percent (5%) of the number of Resulting Issuer Shares then outstanding, unless disinterested Shareholder approval is received. The maximum number of Resulting Issuer Shares reserved for issue under Awards granted to any one participant (other than a participant who is an eligible director or eligible employee) in any twelve (12) month period shall not exceed two percent (2%) of the number of Resulting Issuer Shares then outstanding.

A full copy of the Resulting Issuer Equity Incentive Plan is attached hereto as Schedule "B".

The Board recommends the adoption of the Resulting Issuer Equity Incentive Plan Resolution. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, FOR the Resulting Issuer Equity Incentive Plan Resolution.**

The text of the Resulting Issuer Equity Incentive Plan Resolution to be submitted to disinterested shareholders at the Meeting is set forth below:

“BE IT HEREBY RESOLVED:

1. subject to the approval of the TSXV, the Corporation is authorized and approved to adopt the Resulting Issuer Equity Incentive Plan as described in this Circular, and a copy of which is attached to this Circular as Schedule “B” conditional on and effective upon the completion of the Transaction; and
2. any director or officer of the Corporation, is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to do all such acts and things and to execute, or cause to be executed, under the corporate seal of the Corporation or otherwise, and to deliver, or cause to be delivered, such other agreements, certificates, documents and instruments, as may in the opinion of such director or officer of the Corporation be necessary or advisable to carry out and to fulfill the intent of the foregoing resolution.”

9. Stock Option Plan Approval

The TSXV requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such a plan. Shareholders will be asked at the Meeting to vote on a resolution to reapprove the Stock Option Plan that was originally adopted by the Corporation. The Stock Option Plan will cease to be effective upon completion of the Transaction.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase common shares. The Stock Option Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSXV.

As at the date hereof, outstanding options to purchase a total of 300,000 Common Shares have been issued to directors, officers, employees and consultants of the Corporation and remain outstanding. For a full text of the Stock Option Plan, please see “*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*” Schedule “C”.

Shareholder Approval for the Plan

Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution substantially in the form set out in Schedule “C” to this Circular reapproving the Stock Option Plan (the “**Stock Option Plan Resolution**”), which, to be effective, must be passed by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting and the Stock Option Plan to be effective until the completion of the Transaction.

The Board recommends that Shareholders vote FOR the Stock Option Plan Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the Stock Option Plan Resolution, the persons named in the proxy or voting instruction form will vote FOR the Stock Option Plan Resolution.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the SEDAR website at www.sedar.com. Financial information of the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation for the most recently completed financial year, which are also available on SEDAR and will be sent by the Corporation to any Shareholder upon request. A Shareholder may contact the Corporation by mail or phone at: 1 Adelaide Street East, Toronto, ON M5C 2V9, Phone: 647-241-7202 Attention: Brian Morales, Director, to obtain a copy of the Corporation’s most recent financial statements and management discussion and analysis.

BOARD APPROVAL

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

DATED at Toronto, Ontario this 22nd day of May 2023.

signed "Jason Smart"

Jason Smart
Chief Executive Officer

SCHEDULE "A"

YUBBA CAPITAL CORP. (THE "CORPORATION")

AUDIT COMMITTEE CHARTER

This audit committee charter (the "**Charter**") has been adopted by the board of directors (the "**Board**") in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose: The purpose of the Committee is to:

- a) significantly improve the quality of the Corporation's financial reporting;
- b) assist the Board to properly and fully discharge its responsibilities;
- c) provide an avenue of enhanced communication between the Board and external auditors;
- d) enhance the external auditor's independence;
- e) increase the credibility and objectivity of financial reports; and
- f) strengthen the role of the outside members of the Board by facilitating in depth discussions between Members, management and external auditors.

1.1 Definitions

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

"Affiliate" shall have the meaning ascribed thereto in the Instrument;

"audit services" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Corporation;

"Charter" means this audit committee charter;

"Corporation" means Yubba Capital Corp.;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation, except where there is evidence showing that the holder of those securities does not materially affect control of the Corporation;

"executive officer" means an individual who is:

- a) a chair of the Corporation;
- b) a vice-chair of the Corporation;
- c) a president of the Corporation;
- d) a vice-president in charge of a principal business unit, division or function including sales, finance or production;
- e) an officer of the Corporation or any of its subsidiary entities who performs a policy-making function in respect of the Corporation; or
- f) any other individual who performs a policy-making function in respect of the Corporation;

"financially literate" has the meaning set forth in Section 1.3;

"immediate family member" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

"independent" has the meaning set forth in Section 1.2;

"Instrument" means National Instrument 52-110 – *Audit Committees*;

"MD&A" has the meaning ascribed to it in NI 51-102;

"Member" means a member of the Committee;

"NI 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"non-audit services" means services other than audit services;

1.2 Meaning of Independence

1. A Member is independent if the Member has no direct or indirect material relationship with the Corporation, all as determined in accordance with the Instrument.
2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Member's independent judgement.

1.3 Meaning of Financial Literacy -- For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

PART 2

2.1 Audit Committee – The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors – The Corporation will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board:

- a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
- b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

This responsibility shall include:

- a) reviewing the audit plan with management and the external auditor;
- b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
- c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
- f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
- g) reviewing interim unaudited financial statements before release to the public;
- h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
- i) reviewing any evaluation of internal controls by the external auditor, together with management's response;
- j) reviewing the terms of reference of the internal auditor, if any;
- k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and

- l) reviewing the appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
4. The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.
7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in the National Instrument, on a routine basis, whether or not there is to be a change of auditor.
8. The Committee shall, as applicable, establish procedures for:
 - a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
9. The Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services – The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- b) the Corporation or the subsidiary entity of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and

- c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee member shall be financially literate.

PART 4

4.1 Authority – Until the replacement of this Charter, the Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) set and pay the compensation for any advisors employed by the Committee,
- c) communicate directly with the internal and external auditors; and
- d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular -- If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*). If the Corporation is not required to send a management information circular to its security holders, it must provide the disclosure required by Form 52-110F2 in its annual information form or annual MD&A.

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

2. Opportunities shall be afforded periodically to the external auditor, the internal auditor, if any, and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

SCHEDULE "B"

IMPACT DEVELOPMENT GROUP INC.

OMNIBUS INCENTIVE PLAN

ARTICLE ONE

DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions For purposes of this Omnibus Incentive Plan, unless such capitalized word or term is otherwise defined herein or the context in which such capitalized word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings.

- a) "**Acceleration Event**" has the meaning given to such term in Section 3.10 hereof;
- b) "**Account**" means a notional account maintained for each Participant on the books of the Company which will be credited with RSUs in accordance with the terms of this Plan;
- c) "**Award**" means any of an Option or RSU granted pursuant to, or otherwise governed by, the Plan;
- d) "**Award Agreement**" means an agreement evidencing the grant to a Participant of an Award, including a stock option agreement or RSU agreement;
- e) "**Blackout Period**" means a period of time during which:
 - i. the trading guidelines of the Company, as amended or replaced from time to time, restrict one or more Participants from trading in securities of the Company; or
 - ii. the Company has determined that one or more Participants may not trade any securities of the Company;
- f) "**Blackout Period Expiry Date**" means the date on which a Blackout Period expires;
- g) "**Business Day**" means a day on which the Stock Exchange is open for trading;
- h) "**Committee**" means the Directors or, if the Directors so determine in accordance with Section 2.04 hereof, the committee of the Directors authorized to administer this Plan;
- i) "**Common Shares**" means the common shares of the Company, as adjusted in accordance with the provisions of Article Six hereof from time to time;
- j) "**Company**" means Impact Development Group Inc., a corporation existing under the *Business Corporations Act* (Ontario), and any successor corporation thereof;
- k) "**Designated Affiliates**" means the affiliates of the Company designated by the Committee for purposes of this Plan from time to time;
- l) "**Designated Broker**" means a broker who is independent of, and deals at arm's length with, the Company and its Designated Affiliates and is designated by the Company;
- m) "**Directors**" means the directors of the Company from time to time;

- n) "**Dividend Equivalent**" means additional RSUs credited to a Participant's Account as a dividend equivalent pursuant to Section 4.07;
- o) "**Eligible Directors**" means, other than, in the case of a grant of RSUs, a person retained to provide Investor Relations Activities, the Directors or the directors of any Designated Affiliate from time to time;
- p) "**Eligible Employees**" means, other than, in the case of a grant of RSUs, a person retained to provide Investor Relations Activities, any employees and officers, whether Directors or not, of the Company or any Designated Affiliate, provided that such employees and officers are individuals who are considered employees under the ITA;
- q) "**Employment Contract**" means any contract between the Company or any Designated Affiliate and any Participant relating to, or entered into in connection with, the employment or departure of the Eligible Employee, the appointment, election or departure of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Company or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Company or the termination of employment, appointment, election or engagement of such Participant;
- r) "**Exercise Price**" has the meaning given to such term in Section 3.04 hereof;
- s) "**Insider**" has the meaning given to such term in the policies of the TSX Venture Exchange;
- t) "**Investor Relations Activities**" has the meaning given to such term in the policies of the TSX Venture Exchange;
- u) "**ITA**" means the *Income Tax Act* (Canada), together with the regulations thereto, each as amended from time to time;
- v) "**Market Value of a Common Share**" means, with respect to any particular date as of which the Market Value of a Common Share is required to be determined, (a) if the Common Shares are then listed on the Stock Exchange, the closing price of the Shares on the Stock Exchange on the last Trading Day prior to such particular date; or (b) if the Common Shares are not then listed on any stock exchange, the value as is determined solely by the Committee, acting reasonably and in good faith, and such determination shall be conclusive and binding on all persons;
- w) "**Option**" means an option to purchase Common Shares granted pursuant to, or governed by, this Plan;
- x) "**Optionee**" means a Participant to whom an Option has been granted pursuant to this Plan;
- y) "**Option Period**" means the period of time during which the particular Option may be exercised, including as extended in accordance with Section 3.05 hereof;
- z) "**Other Participant**" means, other than an Eligible Director or an Eligible Employee or, in the case of a grant of RSUs, a person retained to provide Investor Relations Activities, any person engaged to provide ongoing management, advisory, consulting, technical or other services (other than services provided in relation to a distribution of securities of the Company) for the Company or a Designated Affiliate, or any employee of such person, under a written contract between the Company and such person, and who spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Designated Affiliate and has a relationship with the Company or a Designated Affiliate that enables such person to be knowledgeable about the business and affairs of the Company or Designated Affiliate, as the case may be;

- aa) "**Participant**" means each Eligible Director, Eligible Employee and Other Participant that is granted one or more Awards under this Plan;
- bb) "**Plan**" means this omnibus incentive plan as amended from time to time;
- cc) "**Prior Option Plan**" has the meaning given to such term in Section 2.07(e) hereof;
- dd) "**Redemption Date**" has the meaning ascribed thereto in Section 4.05(a) hereof;
- ee) "**Reserved Amount**" has the meaning ascribed thereto in 2.07(a) hereof;
- ff) "**Restriction Period**" means, with respect to a particular grant of RSUs, the period between the date of grant of such RSUs and the latest Vesting Date in respect of any portion of such RSUs;
- gg) "**RSU**" means a restricted share unit, which is a right awarded to a Participant to receive cash, Common Shares or any combination of cash and Common Shares, as determined by the Company in its sole discretion, pursuant to, and governed by, this Plan;
- hh) "**RSU Agreement**" means a written agreement between the Company and a Participant evidencing the grant of RSUs and the terms and conditions thereof;
- ii) "**RSU Outside Expiry Date**" has the meaning ascribed thereto in Section 4.05(d) hereof;
- jj) "**Stock Exchange**" means the TSX Venture Exchange or, if the Common Shares are not then listed on the TSX Venture Exchange, such other principal market on which the Common Shares are then traded as designated by the Committee from time to time;
- kk) "**Termination**" has the meaning given to such term in Section 3.12 hereof;
- ll) "**Trading Day**" means any day on which the Stock Exchange is open for trading;
- mm) "**U.S. Securities Act**" has the meaning given to such term in Section 5.02 hereof; and
- nn) "**Vesting Date**" has the meaning ascribed thereto in Section 4.04 hereof.

Section 1.02 Headings. The headings of all articles, sections, paragraphs and subparagraphs in this Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Plan.

Section 1.03 Context, Construction. Whenever the singular or masculine are used in this Plan the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires. The word "person" shall be given the widest meaning possible and shall include, without limitation, an individual, a corporation, a partnership, a limited partnership or any other unincorporated entity.

Section 1.04 References to this Plan. The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Plan as a whole and not to any particular article, section, paragraph, subparagraph or other part hereof.

Section 1.05 Canadian Funds. Unless otherwise specifically provided, all references to dollar amounts in this Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THIS PLAN

Section 2.01 Purpose of this Plan. This Plan provides for the potential acquisition of Common Shares by Participants for the purpose of advancing the interests of the Company through the motivation, attraction and retention of key employees, directors and consultants of the Company and the Designated Affiliates and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Common Shares by key employees, directors and consultants of the Company and the Designated Affiliates, it being generally recognized that share incentive plans can aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Company.

Section 2.02 Participants. This Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

Section 2.03 Administration of this Plan. This Plan shall be administered by the Committee and the Committee shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Committee may deem necessary or desirable in order to comply with the requirements of this Plan, subject in all cases to compliance with regulatory requirements. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company and its Designated Affiliates. This Plan shall be administered in accordance with the rules and policies of the TSX Venture Exchange by the Committee so long as the Common Shares are listed on the TSX Venture Exchange.

Section 2.04 Delegation to Committee. All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors.

Section 2.05 Record Keeping. The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant;
- (b) the number of Common Shares subject to Awards granted to each Participant; and
- (c) the aggregate number of Common Shares subject to Awards.

Section 2.06 Determination of Participants. The Committee shall from time to time determine the Participants who may participate in this Plan. The Committee shall from time to time determine the Participants to whom Awards shall be granted, the number of Common Shares to be made subject to, and the expiry date of, each Award granted to each Participant and the other terms, including any vesting provisions, of each Award granted to each Participant, all such determinations to be made in accordance with the terms and conditions of this Plan, and the Committee may take into consideration the present and potential contributions of, and the services rendered by, the particular Participant to the success of the Company and any other factors which the Committee deems appropriate and relevant. All Eligible Employees and Other Participants shall be bona fide Eligible Employees or Other Participants, as the case may be.

Section 2.07 Maximum Number of Shares.

- (a) The maximum number of securities reserved for issue pursuant to this Plan shall be determined from time to time by the Committee but, in any case, shall not exceed, in the aggregate, 10% of the number of Common Shares then outstanding; provided that the maximum number of Common Shares reserved for issuance, in the aggregate, pursuant to the Awards granted under this Plan, at any point in time, shall be equal to 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is obtained.
- (b) The maximum number of Common Shares reserved for issue pursuant to Awards granted under this Plan to Participants who are Insiders of the Company in any 12-month period shall not exceed 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is obtained.
- (c) The maximum number of Common Shares reserved for issue under Awards granted to any one Participant in any 12-month period shall not exceed 5% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (d) The maximum number of Common Shares reserved for issue under Awards granted to any one Other Participant in any 12-month period shall not exceed 2% of the number of Common Shares then outstanding.
- (e) The maximum number of Common Shares reserved for issue under Options granted to all Eligible Employees and to all Other Participants conducting Investor Relations Activities in any 12-month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding. Options granted to Eligible Employees or Other Participants performing Investor Relations Activities shall vest in stages over a 12-month period, with no more than ¼ of the Options vesting in any three month period. The Directors shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Company by all Participants performing Investor Relations Activities. No acceleration of the vesting provisions of Options granted to persons retained to provide Investor Relations Activities is allowed without the prior acceptance of the Stock Exchange.

For purposes of this Section 2.07, "the number of Common Shares then outstanding" shall mean the number of Common Shares outstanding on a non-diluted basis calculated at the date of the proposed grant of the applicable Award.

ARTICLE THREE

OPTION AWARDS

Section 3.01 Nature of Options. An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Common Shares from treasury at the Exercise Price, but subject to the provisions hereof. For greater certainty, the Company is obligated to issue and deliver the designated number of Common Shares on the exercise of an Option and shall have no independent discretion to settle an Option in cash or other property other than Common Shares issued from treasury. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

Section 3.02 Option Awards. Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Committee shall, from time to time by resolution, in its sole discretion,

(a) designate the Eligible Director, Eligible Employee or Other Participant who may receive Options under the Plan, (b) fix the number of Options, if any, to be granted to each Eligible Director, Eligible Employee or Other Participant and the date or dates on which such Options shall be granted, (c) subject to Section 3.04, determine the price per Common Share to be payable upon the exercise of each such Option, (d) determine the relevant vesting provisions (including performance criteria, if applicable) and (e) determine the term of the Options, the whole subject to the terms and conditions prescribed in this Plan or in any stock option agreement, and any applicable rules of the Stock Exchange.

Section 3.03 Option Notice or Agreement. Each Option granted to a Participant may be evidenced by a stock option notice or stock option agreement setting out terms and conditions consistent with the provisions of this Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

Section 3.04 Exercise Price. The price per share (the "Exercise Price") at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that the Exercise Price shall be not less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of the grant of such Option less the maximum discount, if any, permitted by the Stock Exchange or, if the Common Shares are not then listed on any stock exchange, the Exercise Price shall not be less than the fair market value of the Common Shares as may be determined by the Directors on the day immediately preceding the date of the grant of such Option. Disinterested shareholder approval shall be required for any reduction in the Exercise Price of any Option if the Optionee is an Insider of the Company at the time of the proposed amendment to the Exercise Price.

Section 3.05 Term of Option. The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to amendment by an Employment Contract, provided that in no event shall an Option Period exceed ten years. Notwithstanding the definition of Option Period contained herein or the foregoing, the expiration date of an Option will be the date fixed by the Directors with respect to such Option unless such expiration date falls within a Blackout Period, in which case the expiration date of the Option will be the date which is ten Business Days after the Blackout Period Expiry Date. Disinterested shareholder approval shall be required for the extension of any Option Period if the Optionee is an Insider of the Company at the time of the proposed amendment to the Option Period.

Section 3.06 Lapsed Options. If Options granted under this Plan (or stock options granted under the Prior Option Plan) are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options (or such lapsed stock options).

Section 3.07 Limit on Options to be Exercised. Except as otherwise specifically provided herein or in any Employment Contract, Options may be exercised by the Optionee in whole at any time, or in part from time to time (in each case to the nearest full Common Share), during the Option Period only in accordance with the vesting schedule, if any, determined by the Committee, in its sole and absolute discretion, subject to the applicable requirements of the Stock Exchange, at the time of the grant of the Option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the Committee from time to time with respect to a particular Option. If the Committee does not determine a vesting schedule at the time of the grant of any particular Option, such Option shall be exercisable in whole at any time, or in part from time to time, during the Option Period, subject to the applicable requirements of the Stock Exchange. In the event that the Common Shares are listed on the TSX Venture Exchange, Options with an Exercise Price based on the Discounted Market Price (as such term is defined in the policies of the TSX Venture Exchange), and the Common Shares issuable upon the exercise thereof, shall be subject to the restricted period and legending requirements imposed by the policies of the TSX Venture Exchange.

Section 3.08 Eligible Participants on Exercise. An Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically

provided in Section 3.11 or Section 3.12 hereof or in any Employment Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Company or a Designated Affiliate or in the employment of the Company or a Designated Affiliate and has been continuously an officer or so employed since the date of the grant of such Option, provided however that a leave of absence with the approval of the Company or such Designated Affiliate shall not be considered an interruption of employment for purposes of this Plan;
- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Company or a Designated Affiliate and has been such a director continuously since the date of the grant of such Option; and
- (c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting, technical or other services for the Company or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

Section 3.09 Payment of Exercise Price. The issue of Common Shares on the exercise of any Option shall be contingent upon receipt by the Company of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office of the Company together with a completed notice of exercise, together with any tax amounts required under Section 5.01. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of this Plan. Subject to Section 6.11 hereof, upon an Optionee exercising an Option and paying the Company the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Company shall as soon as practicable thereafter issue and deliver a certificate representing the Common Shares so purchased.

Section 3.10 Acceleration on Take-over Bid, Consolidation, Merger, etc. In the event that:

- (a) the Company seeks or intends to seek approval from the shareholders of the Company for a transaction which, if completed, would constitute an Acceleration Event (as defined below); or
- (b) a person makes a bona fide offer or proposal to the Company or the shareholders of the Company which, if accepted or completed, would constitute an Acceleration Event,

the Company shall send notice to all Optionees of such transaction, offer or proposal as soon as practicable and, provided that the Committee has determined that no adjustment will be made pursuant to Section 6.06 hereof, (i) the Committee may, by resolution and notwithstanding any vesting schedule applicable to any Option or Section 3.07 hereof, permit all Options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an Option) and prior to such transaction, offer or proposal, so that the Optionee may participate in such transaction, offer or proposal, and (ii) the Committee may accelerate the expiry date of such Options and the time for the fulfillment of any conditions or restrictions on such exercise.

In this 3.10 an "**Acceleration Event**" means:

- (a) the acquisition by any person of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Company, by means of a take-over bid or otherwise;

- (b) any consolidation, merger, statutory amalgamation or arrangement involving the Company and pursuant to which the Company will not be the continuing or surviving corporation or pursuant to which the Common Shares will be converted into cash or securities or property of another entity, other than a transaction involving the Company and in which the shareholders of the Company immediately prior to the completion of the transaction will have the same proportionate ownership of the surviving corporation immediately after the completion of the transaction;
- (c) a separation of the business of the Company into two or more entities;
- (d) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to another entity; or
- (e) the approval by the shareholders of the Company of any plan of liquidation or dissolution of the Company.

Section 3.11 Effect of Death. If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Company or Designated Affiliate on behalf of the Other Participant, shall die, any outstanding Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 3.07 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of 12 months after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is earlier, and then only to the extent that such Optionee was entitled to exercise the Option at the date of the death of such Optionee in accordance with Sections 3.07, 3.08 and 3.12 hereof.

Section 3.12 Effect of Termination of Engagement. If a Participant shall:

- (a) cease to be a Director or of a Designated Affiliate, as the case may be (and is not or does not continue to be an employee thereof), for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Company or the Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Company or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Company or any Designated Affiliate of the termination of their Employment Contract;

(the earliest to occur of any of the foregoing events being referred to herein as a "**Termination**"), except as otherwise provided in any Employment Contract, such Participant may, but only within the 90 days next succeeding such Termination (or, subject to the limitations set forth below, such other period of time as may be determined by the board of director's of the Company), exercise the Options to the extent that such Participant was entitled to exercise such Options at the date of such Termination. Notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period or one year from the date of Termination.

ARTICLE FOUR

RESTRICTED SHARE UNIT AWARDS

Section 4.01 Nature of RSUs. An RSU is an Award that is a bonus for services rendered in the year of grant, that, upon settlement, entitles the recipient Participant to receive a cash payment equal to the Market Value of a

Common Share or, at the sole discretion of the Committee, a Common Share, and subject to such restrictions and conditions on vesting as the Committee may determine at the time of grant, unless such RSU expires prior to being settled. Restrictions and conditions on vesting may, without limitation, be based on the passage of time during continued employment or other service relationship, the achievement of specified performance criteria or both.

Section 4.02 RSU Awards

- (a) Subject to the provisions herein and any shareholder or regulatory approval which may be required, the Committee shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Director, Eligible Employee or Other Participant who may receive RSUs under the Plan, provided such person was not retained to provide Investor Relations Activities, (b) fix the number of RSUs, if any, to be granted to each Eligible Director, Eligible Employee or Other Participant and the date or dates on which such RSUs shall be granted, (c) determine the relevant conditions, vesting provisions and the Restriction Period of such RSUs, and (d) determine any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan, in any RSU Agreement, and any applicable rules of the Stock Exchange.
- (b) Subject to the vesting and other conditions and provisions in this Plan, including Section 2.07, all RSUs granted herein shall vest in accordance with the terms of the RSU Agreement entered into in respect of such RSUs.
- (c) Subject to the vesting and other conditions and provisions in this Plan and in the applicable RSU Agreement, each RSU awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Common Share, or, at the discretion of the Committee, one Common Share or any combination of cash and Common Shares as the Committee in its sole discretion may determine, in each case less any applicable withholding taxes. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Common Shares in respect of any RSU, and, notwithstanding any discretion exercised by the Committee to settle any RSU, or a portion thereof, in the form of Common Shares, the Committee reserves the right to change such form of payment at any time until payment is actually made.

Section 4.03 RSU Agreements

- (a) The grant of a RSU by the Committee shall be evidenced by a RSU Agreement in such form not inconsistent with the Plan as the Committee may from time to time determine. Such RSU Agreement shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Committee from time to time) which are not inconsistent with this Plan and which the Committee deems appropriate for inclusion in a RSU Agreement. The provisions of the various RSU Agreements issued under this Plan need not be identical.
- (b) The RSU Agreement shall contain such terms that the Company considers necessary in order that the RSUs granted to Participants, shall not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA, by reason of the exemption in paragraph (k) thereof or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or provide services in or the rules of any regulatory body having jurisdiction over the

Company.

Section 4.04 Vesting of RSUs. All RSUs are subject to a minimum one (1) year vesting schedule. The Committee shall have sole discretion to (a) determine if any vesting conditions with respect to a RSU, including any performance criteria or other vesting conditions contained in the applicable RSU Agreement, have been met, (b) waive the vesting conditions applicable to RSUs (or deem them to be satisfied), and (c) extend the Restriction Period with respect to any grant of RSUs, provided that any such extension shall not result in the Restriction Period for such RSUs extending beyond the RSU Outside Expiry Date. The Company shall communicate to a Participant, as soon as reasonably practicable, the date on which all such applicable vesting conditions in respect of a grant of RSUs to the Participant have been satisfied, waived or deemed satisfied and such RSUs have vested (the "**Vesting Date**").

Section 4.05 Redemption / Settlement of RSUs

- (a) Subject to the provisions of this Section 4.05 and Section 4.06, a Participant's vested RSUs shall be redeemed in consideration for a cash payment on the date (the "**Redemption Date**") that is the earliest of (a) the 15th day following the applicable Vesting Date for such vested RSUs (or, if such day is not a Business Day, on the immediately following Business Day), and (b) the RSU Outside Expiry Date.
- (b) Subject to the provisions of this Section 4.05 and Section 4.06, during the period between the Vesting Date and the Redemption Date in respect of a Participant's vested RSUs, the Company (or any Designated Affiliate that is party to an Employment Contract with the Participant whose vested RSUs are to be redeemed) shall, at its sole discretion, be entitled to elect to settle all or any portion of the cash payment obligation otherwise arising in respect of the Participant's vested RSUs either (a) by the issuance of Common Shares to the Participant (or the legal representative of the Participant, if applicable) on the Redemption Date, or (b) by paying all or a portion of such cash payment obligation to the Designated Broker, who shall use the funds received to purchase Common Shares in the open market, which Common Shares shall be registered in the name of the Designated Broker in a separate account for the Participant's benefit.
- (c) Settlement of a Participant's vested RSUs shall take place on the Redemption Date as follows:
 - (i) where the Company (or applicable Designated Affiliate) has elected to settle all or a portion of the Participant's vested RSUs in Common Shares issued from treasury:
 - (A) in the case of Common Shares issued in certificated form, by delivery to the Participant (or to the legal representative of the Participant, if applicable) of a certificate in the name of the Participant (or the legal representative of the Participant, if applicable) representing the aggregate number of Common Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions in accordance with Section 5.01; or
 - (B) in the case of Common Shares issued in uncertificated form, by the issuance to the Participant (or to the legal representative of the Participant, if applicable) of the aggregate number of Common Shares that the Participant is entitled to receive, subject

to satisfaction of any applicable withholding tax and other applicable source deductions under Section 5.01, which Common Shares shall be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Common Shares;

- (ii) where the Company or a Designated Affiliate has elected to settle all or a portion of the Participant's vested RSUs in Common Shares purchased in the open market, by delivery by the Company or a Designated Affiliate of which the Participant is a director, executive officer, employee or consultant to the Designated Broker of readily available funds in an amount equal to the Market Value of a Common Share as of the Redemption Date multiplied by the number of vested RSUs to be settled in Common Shares purchased in the open market, less the amount of any applicable withholding tax and other applicable source deductions under Section 5.01, along with directions instructing the Designated Broker to use such funds to purchase Common Shares in the open market for the benefit of the Participant and to be evidenced by a confirmation from the Designated Broker of such purchase;
 - (iii) any cash payment to which the Participant is entitled (excluding, for the avoidance of doubt, any amount payable in respect of the Participant's RSUs that the Company or a Designated Affiliate has elected to settle in Common Shares) shall, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 5.01, be paid to the Participant (or to the legal representative of the Participant, if applicable) by the Company or a Designated Affiliate of which the Participant is a director, executive officer, employee or consultant, in cash, by cheque or by such other payment method as the Company and Participant may agree; and
 - (iv) where the Company or a Designated Affiliate has elected to settle a portion, but not all, of the Participant's vested RSUs in Common Shares, the Participant shall be deemed to have instructed the Company or Designated Affiliate, as applicable, to withhold from the cash portion of the payment to which the Participant is otherwise entitled such amount as may be required in accordance with Section 5.01 and to remit such withheld amount to the applicable taxation authorities on account of any withholding tax obligations, and the Company or Designated Affiliate, as applicable, shall deliver any remaining cash payable, after making any such remittance, to the Participant (or to the legal representative of the Participant, if applicable) as soon as reasonably practicable. In the event that the cash portion payable to settle a Participant's RSUs in the foregoing circumstances is not sufficient to satisfy the withholding obligations of the Company or a Designated Affiliate pursuant to Section 5.01, the Company or Designated Affiliate, as applicable, shall be entitled to satisfy any remaining withholding obligation by any other mechanism as may be required or determined by the Company or Designated Affiliate as appropriate.
- (d) Notwithstanding any other provision in this Article Four, no payment, whether in cash or in Common Shares, shall be made in respect of the settlement of any RSUs later than December 15th of the third (3rd) calendar year following the end of the calendar year in respect of which such RSU is granted (the "**RSU Outside Expiry Date**").

Section 4.06 Determination of Amounts

- (a) The cash payment obligation arising in respect of the redemption and settlement of a vested RSU pursuant to Section 4.05 shall be equal to the Market Value of a Common Share as of the applicable Redemption

Date. For the avoidance of doubt, the aggregate cash amount to be paid to a Participant (or the legal representative of the Participant, if applicable) in respect of a particular redemption of the Participant's vested RSUs shall, subject to any adjustments in accordance with Section 6.07 and any withholding required pursuant to Section 5.01, be equal to the Market Value of a Common Share as of the Redemption Date for such vested RSUs multiplied by the number of vested RSUs in the Participant's Account at the commencement of the Redemption Date (after deducting any such vested RSUs in the Participant's Account in respect of which the Company (or applicable Designated Affiliate) makes an election under Section 4.05(b) to settle such vested RSUs in Common Shares).

(b) If the Company (or applicable Designated Affiliate) elects in accordance with Section 4.05(b) to settle all or a portion of the cash payment obligation arising in respect of the redemption of a Participant's vested RSUs by the issuance of Common Shares, the Company shall, subject to any adjustments in accordance with Section 6.07 and any withholding required pursuant to Section 5.01, issue to the Participant (or the legal representative of the Participant, if applicable), for each vested RSU which the Company (or applicable Designated Affiliate) elects to settle in Common Shares, one Common Share. Where, as a result of any adjustment in accordance with Section 6.07 and/or any withholding required pursuant to Section 5.01, the aggregate number of Common Shares to be received by a Participant upon an election by the Company (or applicable Designated Affiliate) to settle all or a portion of the Participant's vested RSUs in Common Shares includes a fractional Common Share, the aggregate number of Common Shares to be received by the Participant shall be rounded down to the nearest whole number of Common Shares.

Section 4.07 Award of Dividend Equivalents

- (a) Dividend Equivalents may, as determined by the Committee in its sole discretion, be awarded as a bonus for services rendered in the year awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Common Shares as if the Participant was a shareholder of record of Common Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional RSUs, the number of which shall be equal to a fraction where the numerator is the product of (a) the number of RSUs in such Participant's Account on the date that dividends are paid multiplied by (b) the dividend paid per Common Share and the denominator of which is the Market Value of a Common Share calculated as of the date that dividends are paid. Any additional RSUs credited to a Participant's Account as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting, Restriction Periods and expiry) as the RSUs in respect of which such additional RSUs are credited.
- (b) In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant.
- (c) Notwithstanding the foregoing, the aggregate number of RSUs to be credited in respect of the payment of a Dividend Equivalent must not, together with all outstanding Awards, exceed the Plan maximum set out in Section 2.07. The issuance of any RSUs under this Section 4.07 that, together with all outstanding Awards, exceed the Plan maximum set out in Section 2.7 shall be satisfied by the payment of cash to the Participant by the Company.

Section 4.08 Effect of Death. If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Company or Designated Affiliate on behalf of the Other Participant, shall die, any unvested RSUs in the Participant's Account as at the date of such death relating to a Restriction Period in progress shall become forfeited within 30 days, or at the Committee's discretion, within a period not exceeding 12 months following the date of such Participant's death. For greater certainty, where a Participant's employment or service relationship with the Company or a Designated Affiliate is terminated as a result of death following the

satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment. Notwithstanding the foregoing, if the Committee, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested RSUs, the date of such action is the Vesting Date.

Section 4.09 Effect of Termination of Engagement. If a Participant shall:

- (a) cease to be a Director or of a Designated Affiliate, as the case may be (and is not or does not continue to be an employee thereof), for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Company or the Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Company or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Company or any Designated Affiliate of the termination of their Employment Contract;

(the earliest to occur of any of the foregoing events being referred to herein as a "**Termination**"), the Participant's participation in the Plan shall be terminated within 30 days, or at the Committee's discretion, within a period not exceeding 12 months following the date that such person ceases to be a Participant under the Plan, all RSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such Participant's unvested RSUs shall be forfeited and cancelled on the Termination Date. Notwithstanding the foregoing, if the Committee, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested RSUs, the date of such action is the Vesting Date.

ARTICLE FIVE

WITHHOLDING TAXES AND SECURITIES LAWS OF THE

UNITED STATES OF AMERICA

Section 5.01 Withholding Taxes. The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Award or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise or settlement, as applicable, of any Award, until such time as the Participant has paid the Company or any Designated Affiliate for any amount which the Company or the Designated Affiliate is required to withhold with respect to such taxes.

Section 5.02 Securities Laws of the United States of America. Neither the Awards which may be granted pursuant to this Plan nor the Common Shares which may be issued pursuant to the exercise or settlement, as applicable, of any Awards have been registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Award in a transaction which is subject to the U.S. Securities Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Award and/or any Common Shares as principal and for the account

of the Participant;

- (b) in granting the Award and/or issuing the Common Shares to the Participant, the Company is relying on the representations and warranties of the Participant to support the conclusion of the Company that the granting of the Award and/or the issue of Common Shares do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing Common Shares so issued may be required to have the following legend:

"THE SECURITIES REPRESENTED HEREBY [for Awards add: AND ANY SECURITIES ISSUABLE UPON EXERCISE HEREOF] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY (WHICH WILL BE DELIVERED PROMPTLY AND WILL NOT BE UNREASONABLY WITHHELD, BUT WHICH MAY BE CONDITIONAL ON DELIVERY OF A LEGAL OPINION IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY), PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE COMPANY IN CONNECTION WITH A SALE OF THE SECURITIES REPRESENTED HEREBY AT A TIME WHEN THE COMPANY IS A "FOREIGN ISSUER" AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE COMPANY, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and provided that the Company is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act at the

time of such sale, such legend may be removed by providing a written declaration signed by the holder to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (A) represents and warrants that the sale of the securities of Impact Development Group Inc. (the "**Company**") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an affiliate of the Company as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside of the United States, or the undersigned and any person acting on its behalf reasonably believe that the buyer was outside the United States or (B) the transaction was executed on or through the facilities of a Designated Offshore Securities Market and neither the undersigned nor any person acting on behalf thereof knows or has any reason to believe that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer; and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

- (d) other than as contemplated by Section 5.02(c) hereof, prior to making any disposition of any Common Shares acquired pursuant to this Plan which might be subject to the requirements of the U.S. Securities Act, the Participant shall give written notice to the Company describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Company to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by Section 5.02(c) hereof, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to this Plan or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Company that such disposition would not constitute a violation of the U.S. Securities Act and then will only dispose of such Common Shares in the manner so proposed;
- (f) the Company may place a notation on the records of the Company to the effect that none of the Common Shares acquired by the Participant pursuant to this Plan shall be transferred unless the provisions of the Plan have been complied with; and

- (g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to this Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by Section 5.02(c) hereof.

ARTICLE SIX

GENERAL

Section 6.01 Effective Time of this Plan. This Plan shall become effective upon a date to be determined by the Directors; provided, however, that the RSU components of the Plan shall be subject to shareholder approval on an annual basis.

Section 6.02 Amendment of Plan. The Committee shall have the right:

- a) without the approval of the shareholders of the Company, subject to Section 6.02(b) of the Plan, to make any amendments to the Plan, including but not limited to the following amendments:
 - (i) any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of the Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correcting grammatical or typographical errors and amending the definitions contained within the Plan;
 - (ii) any amendment to comply with the rules, policies, instruments and notices of any regulatory authority to which the Company is subject, including the Stock Exchange, or to otherwise comply with any applicable law or regulation;
 - (iii) other than changes to the expiration date and the exercise price of any Award as described in Section 6.02(b)(iii) and Section 6.02(b)(iv) of this Plan, any amendment, with the consent of the Participant, to the terms of any Award previously granted to such Participant under the Plan; and
 - (iv) any amendment respecting the administration or implementation of the Plan;
- (b) with the approval of the shareholders of the Company by ordinary resolution, including if required by the applicable Stock Exchange, disinterested shareholder approval, to make any amendment to the Plan not contemplated by Section 6.02(a) of the Plan, including, but not limited to:
 - (i) any change to the number of Common Shares issuable from treasury under the Plan, including an increase to the fixed maximum percentage or number of Common Shares or a change from a fixed maximum percentage of Common Shares to a fixed maximum number of Common Shares or vice versa, other than an adjustment pursuant to Section 6.07 of the Plan;

- (ii) any amendment to the provisions concerning the effect of the termination of an Participant's position, employment or services on such Participant's status under the Plan;
- (iii) any amendment to the categories of persons who are Participants
- (iv) any amendment which reduces the exercise price of any Award, other than an adjustment pursuant to Section 6.07 of the Plan; provided, however, that, for greater certainty, disinterested shareholder approval will be required for any amendment which reduces the exercise price of any Option if the Participant is an Insider of the Corporation at the time of the proposed amendment;
- (v) any amendment which extends the expiry date of an Award, or the Restriction Period of any RSU beyond the original expiry date or Restriction Period, except in the event of an extension due to a Blackout Period;
- (vi) any amendment which cancels any Award and replaces such Award with an Award which has a lower exercise price or other entitlement, other than an adjustment pursuant to Section 6.07 of the Plan, and
- (vii) any amendments to this Section 6.02 of the Plan.

Notwithstanding the foregoing, any amendment to the Plan shall be subject to the receipt of all required regulatory approvals including, without limitation, the approval of the Stock Exchange.

Section 6.03 Non-Assignable. No rights under this Plan and no Award awarded pursuant to this Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.\

Section 6.04 Rights as a Shareholder. No Participant shall have any rights as a shareholder of the Company with respect to any Common Shares which are the subject of an Award. Except as otherwise provided in this Plan, no Participant shall be entitled to receive any dividends, distributions or other rights declared for shareholders of the Company for which the record date is prior to the date of issue of certificates representing Common Shares acquired upon the exercise or settlement, as applicable, of any Awards.

Section 6.05 No Contract of Employment. Nothing contained in this Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Company or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of this Plan by a Participant shall be voluntary.

Section 6.06 Consolidation, Merger, etc. Subject to the approval of the Stock Exchange with respect to any share capital adjustments other than a consolidation or split, if there is a consolidation, merger or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to another entity, upon the exercise or settlement, as applicable, of an

Award under this Plan the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had been the holder of Common Shares immediately prior to the effective time of such event, unless the Committee otherwise determines appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such event.

Section 6.07 Adjustment in Number of Common Shares Subject to the Plan. Subject to the approval of the Stock Exchange with respect to any share capital adjustments other than a consolidation or split, in the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under this Plan;
- (b) the number of Common Shares subject to any Award;
- (c) the exercise price of the Common Shares subject to Awards; and
- (d) the number of Common Shares or cash payment to which the Participant is entitled upon exercise or settlement of such Award.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Plan.

Section 6.08 Securities Exchange Take-over Bid. Subject to the approval of the Stock Exchange with respect to any share capital adjustments other than a consolidation or split, in the event that the Company becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Participants requiring them to surrender their Awards within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Awards on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement awards to the Participants on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement awards have substantially the same economic value as the Awards being surrendered; and
- (c) the surrender of Awards and the granting of replacement awards can be effected on a tax free rollover basis or otherwise without adverse tax consequences under the ITA.

Section 6.09 No Representation or Warranty. The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Plan.

Section 6.10 Compliance with Applicable Law. If any provision of this Plan or any Award contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction over the securities of the Company, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 6.11 Necessary Approvals. The obligation of the Company to issue and deliver any Common Shares in accordance with this Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Company. If any Common Shares cannot be issued to any Participant upon the exercise or settlement, as applicable, of an Award for whatever reason, the obligation of the Company to issue such Common Shares shall terminate and any exercise price paid to the Company in respect of the exercise or settlement, as applicable, of such Award shall be returned to the Participant.

Section 6.12 Conflict. To the extent there is any inconsistency or ambiguity between this Plan and any Employment Contract, the terms of this Plan shall govern to the extent of such inconsistency or ambiguity, subject only to compliance with applicable law and Stock Exchange policy.

Section 6.13 Interpretation. This Plan shall be governed by, and be construed in accordance with, the laws of the Province of Ontario.

SCHEDULE C
STOCK OPTION PLAN

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

- 1.1 The purpose of this Plan is to advance the interests of the Corporation by encouraging equity participation in the Corporation through the acquisition of Common Shares of the Corporation. It is the intention of the Corporation that this Plan will at all times be in compliance with TSX Venture Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX 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 Corporation, or that is controlled by the same entity as the Corporation;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Board** means the board of directors of the Corporation or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (d) **Business Day** means a day on which the TSX Venture is open for trading;
- (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 Corporation or resulting corporation to affect materially the control of the Corporation or resulting corporation, 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 Corporation or resulting corporation to affect materially the control of the Corporation or resulting corporation,

where such Person or combination of Persons did not previously hold a sufficient number of Voting Shares to materially affect control of the Corporation or resulting corporation 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 Corporation or resulting corporation is deemed to materially affect control of the Corporation or resulting corporation;

- (f) **Common Shares** means the common shares without par value in the capital of the Corporation providing such class is listed on the TSX Venture (or NEX, as the case may be);
- (g) **company** unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, fund, association and any other entity other than an

individual;

- (h) **Corporation** means Yubba Capital Corp., and unless the context otherwise requires, all of its Affiliates and successors according to law;
- (i) **Consultant** means, in relation to the Corporation, an individual (other than a Director, Officer, or Employee of the Corporation or of any of its subsidiaries) or company that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or the company, as the case may be; and,
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its subsidiaries.
- (i) **Consultant Company** means a Consultant that is a company;
- (j) **CPC** means a capital pool company pursuant to Policy 2.4 of the TSX Venture Policies;
- (k) **Director** means a director (as defined under the Securities Act) of the Corporation or any of its subsidiaries;
- (i) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (j) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Corporation from treasury;
- (k) **Effective Date** for an Option means the date of grant thereof by the Board;
- (l) **Eligible Charitable Organization** has the meaning assigned by Policy 4.4 of the TSX Venture Policies;
- (m) **Eligible Participant** means a Director, Officer, Employee, Management Company Employee, Consultant or Eligible Charitable Organization who is eligible to participate in the Plan;
- (n) **Employee** means
 - (i) an individual who is considered an employee of the Corporation or of its subsidiary under the ITA and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source.

- (o) **Exercise Price** means the amount payable per Common Share issuable on the exercise of an Option, as determined in accordance with the terms hereof;
- (p) **Expiry Date** means the day on which an Option lapses as specified in the Stock Option Agreement therefor or in accordance with the terms of this Plan, and such day shall not be later than 10 years from the Effective Date;
- (q) **Insider** means an insider as defined in Policy 1.1 of the TSX Venture Policies;
- (r) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (s) **Investor Relations Service Provider** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (t) **IPO** means the initial public offering of the Corporation on the TSX Venture pursuant to a prospectus offering of its Common Shares from treasury;
- (u) **ITA** means the *Income Tax Act* (Canada) and any regulations thereunder, each as amended from time to time;
- (v) **Management Company Employee** means an individual employed by a company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;
- (w) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (x) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing listing standards of those markets;
- (y) **NEX Issuer** means a corporation which has its securities listed for trading on NEX;
- (z) **NEX Policies** means the rules and policies of NEX as amended from time to time;
- (aa) **Officer** means an officer (as defined under securities laws) of the Corporation or of any of its subsidiaries;
- (bb) **Option** means the right to purchase Common Shares granted pursuant to, or governed by, this Plan;
- (cc) **Optioned Shares** means Common Shares that may be issued in the future to an Optionee upon the exercise of an Option;
- (dd) **Optionee** means an Eligible Participant to whom an Option has been granted pursuant to this Plan;
- (ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Corporation from time to time;
- (ff) **Person** means a company or an individual;
- (gg) **Plan** means this stock option plan, the terms of which are set out herein or as may be amended;
- (hh) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in Section 2.2;

- (ii) **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;
- (jj) **Section 5.3(b) Disinterested Shareholder Approval** means Shareholder Approval, excluding those votes attaching to Voting Shares of the Corporation beneficially owned by:
 - (i) Insiders to whom Options may be granted under the Plan, and
 - (ii) Associates and Affiliates of Persons referred to in Section 1.2(jj)(i)
- (kk) **Section 5.3(c) Disinterested Shareholder Approval** means Shareholder Approval, excluding those votes attaching to Voting Shares of the Corporation beneficially owned by:
 - (i) the Persons that holds or will hold Options in question, and
 - (ii) Associates and Affiliates of Persons referred to in Section 1.2(kk)(i)
- (ll) **Securities Act** means the Securities Act, R.S.O. 1990, c. S.5, or any successor legislation;
- (mm) **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 Eligible Participants, or other Persons.
- (nn) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Corporation at a duly constituted shareholder's meeting;
- (oo) **Stock Option Agreement** means the agreement evidencing the grant of an Option delivered by the Corporation hereunder to an Eligible Participant and substantially in the form of Schedule "A" attached hereto;
- (pp) **Takeover Bid** means a takeover-bid as defined in Section 89 of the Securities Act or the analogous provisions of securities legislation applicable to the Corporation;
- (qq) **TSX Venture** means the TSX Venture Exchange and any successor thereto;
- (rr) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time; and
- (ss) **Voting Share** means a security of the Corporation that:
 - (i) is not a debt security; and
 - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

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 (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX 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 STOCK OPTION PLAN

Establishment of Stock Option Plan

- 2.1 The Plan is hereby established to recognize contributions made by Eligible Participants and to create an incentive for their continuing assistance to the Corporation and its Affiliates.

Maximum Plan Shares

- 2.2 The maximum aggregate number of Plan Shares at any point in time shall not exceed 10% of the Outstanding Shares as at the date of grant of any Option, less any Common Shares reserved for issuance under any Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies). Any Option granted to an Eligible Charity Organization under this Plan, whether granted before or after the Corporation is listed on the TSX Venture will not be included within the 10% limit prescribed by this Section 2.2.

Eligibility

- 2.3 Options may be granted hereunder to Eligible Participants from time to time by the Board. Eligible Participants that are not individuals, other than a Consultant Company or Eligible Charity Organization, will be required to undertake in writing not to effect or permit any transfer of ownership of its Option, or 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 Corporation is obtained.
- 2.4 In the case of Options issued or granted to an Employee, Management Company Employee, or Consultant, it shall be incumbent upon the Eligible Participant and the Corporation to ensure that the Eligible Participant is a bona fide Employee, Management Company Employee, or Consultant, as the case may be.

Options Granted Under the Plan

- 2.5 All Options granted under the Plan will be evidenced by a Stock Option Agreement, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.
- 2.6 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 a Stock Option Agreement made hereunder.

Limitations on Issue

- 2.7 Subject to Section 2.12 of this Plan, and Sections 4.2 and 4.3 of TSX Venture Policy 4.4, the following restrictions on issuances of Options are applicable under the Plan:
- (a) no one Person (and where permitted under TSX Venture Policy 4.4, any companies that are wholly owned by that Person) 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 Person in any 12-month period, exceeding 5% of the Outstanding Shares, calculated as at the date any Option is granted or issued to the Person unless the Corporation has obtained Section 5(c) Disinterested Shareholder Approval to do so;
 - (b) the aggregate number of Options granted to all Investor Relations Service Providers in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the date of grant to any such Investor Relations Service Provider, and;

- (c) the maximum aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated as at the date any Option is granted or issued to the Consultant.

2.8 While the Corporation is classified as a CPC, the Corporation shall comply with the following restrictions on issuances of Options pursuant to Section 6 of TSX Venture Policy 2.4, including but not limited to:

- (a) Options may only be granted to a Director, or Officer, and where permitted by securities laws, a technical consultant as contemplated in TSX Venture Policy 2.4 and to an Eligible Charitable Organization;
- (b) no Options may be issued to Persons providing Investor Relations Activities, promotional or market-making services to the Corporation;
- (c) Options granted may only entitle the holder to acquire Common Shares;
- (d) the total number of Common Shares reserved under option for issuance to any individual Director or Officer may not exceed 5% of the Outstanding Shares as at the date of grant of any Options;
- (e) the total number of Common Shares reserved under option for issuance to all technical consultants may not exceed 2% of the Outstanding Shares as at the date of grant of any Options;
- (f) the total number of Optioned Shares reserved under option for issuance to all Eligible Charitable Organizations may not exceed 1% of the Outstanding Shares as at the date of grant of any Options;
- (g) the total number of Optioned Shares reserved for issuance may not exceed 10% of the Outstanding Shares as at the date of grant of any Options.
- (h) the exercise price per Option granted prior to the closing of the IPO cannot be less than the lowest price at which Seed Shares (as defined in TSX Venture Policy 1.1) were issued, the price of which may not be less than the greater of (i) \$0.05 and (ii) 50% of the price at the IPO Shares (as defined in TSX Venture Policy 1.1) are sold;
- (i) all Options granted by the Corporation must be granted in compliance with TSX Venture Policy 4.4 and TSX Venture Policy 2.4;
- (j) no Options may be granted by the Corporation unless the Eligible Participant first enters into a CPC Escrow Agreement (as defined in TSX Venture Policy 2.4) agreeing to deposit the Options, and the Optioned Shares acquired pursuant to the exercise of such Options, into escrow as described in Part 10 of TSX Venture Policy 2.4;
- (k) an Option granted to any Optionee who is a Director, Officer, Consultant or Employee of a Resulting Issuer following a Qualifying Transaction (as defined in Policy 2.4 of the Exchange), have maximum term of the later of (i) 12 months after the completion of the Qualifying Transaction, and (ii) 90 days after the Optionee ceases to be a Director, Officer, Consultant or Employee of the Resulting Issuer; and
- (l) the Expiry Date of an Option must not be later than 12 months after the Optionee ceases to be a Director, Officer or technical consultant of the Corporation, or of the Resulting Issuer (as defined in TSX Venture Policy 2.4), as the case may be, subject to any earlier Expiry Date of such Option.

Options Not Exercised

2.9 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 Corporation and will be eligible for re-issuance.

Powers of the Board

- 2.10 The Board will be responsible for the general administration and interpretation of the Plan, the proper execution of its provisions, and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:
- (a) grant Options hereunder; and
 - (b) allot Common Shares for issuance in connection with the exercise of Options

Amendment of the Plan by the Board

- 2.11 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 as follows:
- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
 - (b) it may amend provisions of the Plan relating to the vesting of Options or the termination of Options subject to prior written Regulatory Approval, if applicable, but no such change shall apply to Options previously granted that remain outstanding without the prior written consent of the applicable Optionee;
 - (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan except that no such action shall apply to Options previously granted that remain outstanding without the prior written consent of the applicable Optionee;
 - (d) make such amendments as are required to comply with applicable Securities law and TSX Venture Policies; and
 - (e) if the Corporation 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.

Actions Requiring Disinterested Shareholder Approval

- 2.12 The Corporation will be required to obtain Section 5.3(b) Disinterested Shareholder Approval prior to any of the following actions becoming effective:
- (a) Where the Plan, together with all of the Corporation's other Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares of the Corporation that are issuable pursuant to the Plan and any Share Compensation Arrangements granted or issued to Insiders (as a group) exceeding 10% of Outstanding Shares at any point in time;
 - (ii) the aggregate number of Common Shares of the Corporation that are issuable pursuant to the Plan and all Share Compensation Arrangements granted or issued in any 12 month period to Insiders (as a group) exceeding 10% of the Outstanding Shares of the Corporation, calculated as at the date any Option or Share Compensation Arrangement is granted or issued to any Insider; or
 - (iii) the aggregate number of Common Shares of the Corporation that are issuable pursuant to the Plan and all Share Compensation Arrangements granted or issued in any 12 month period to any one Person (and where permitted, any company that is wholly owned by that Person) exceeding 5% of the Outstanding Shares of the Corporation, calculated as at the date any Option or Share Compensation Arrangement is granted or issued to the Person.

- 2.13 The Corporation will be required to obtain Section 5.3(c) Disinterested Shareholder Approval prior to any of the following actions becoming effective:
- (a) any individual Option or Share Compensation Arrangement grant or issue that would result in any of the limits set forth in Section 2.12(a) being exceeded;
 - (b) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price of the Options or extending the term of Options held by Insiders;
 - (c) any individual Option or Share Compensation Arrangement grant or issue requiring shareholder approval pursuant to Section 5.2(h) of TSX Venture Policy 4.4; or
 - (d) any amendment to this Plan that results in a benefit to an Insider, including the cancellation of an Option and granting or issuing an Option to the same Person within one year.

Options Granted Under the Corporation's Previous Stock Option Plans

- 2.14 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 shall be determined from time to time by the Board and shall be as set forth in the Stock Option Agreement issued in respect of such Option but, in any event, shall not 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 Section 2.13, the Exercise Price 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 If the Exercise Price is amended to less than the Market Price, the TSX Venture hold period of four months is applied from the date of the amendment.
- 3.5 An Option must be outstanding for at least one year before the Corporation may extend its term, subject to the limits contained in Section 3.2.
- 3.6 Except as provided in Section 8.1(a) of TSX Venture Policy 4.4, any proposed amendment to the terms of this Plan must be approved by the TSX Venture in accordance with Section 8.1(b) of TSX Venture Policy 4.4.

Vesting of Options

- 3.7 Subject to Section 3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, all such Options shall vest immediately in the absence of a vesting schedule being specified in the applicable Stock Option Agreement. Vesting of Options may be made subject to:
- (a) the Optionee remaining employed by or continuing to provide services to the Corporation 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 Corporation or any of its Affiliates during the vesting period; or
 - (b) the Optionee remaining as a Director of the Corporation or any of its Affiliates during the vesting period,
- and any such conditions shall be set out in the applicable Stock Option Agreement.

Vesting of Options Granted to Investor Relations Service Providers

- 3.8 Subject to Section 2.8 and notwithstanding Section 3.6 and 3.9, Options granted to Investor Relations Service Providers will vest:
- (a) over a period of not less than 12 months with 25% vesting on the date that is three months from the date of grant, and a further 25% vesting 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, all as set out in the applicable Stock Option Agreement.

Effect of Takeover Bid

- 3.9 If a Takeover Bid is made to the shareholders generally, the Corporation 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 whereupon such Option may be immediately exercised in whole or in part by the Optionee, subject to Section 3.8 and notwithstanding Section 3.6 of this Plan or any vesting requirements set out in the applicable Stock Option Agreement, or subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

Optionee Ceasing to be an Eligible Participant

- 3.10 Options may be exercised after the Optionee has left his/her employ/office or has been advised by the Corporation 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 Optionee who is a Director, Officer, Employee, Consultant or Management Company Employee will expire within 30 days, or, at the Board's discretion, a period not exceeding 12 months following the date that such Person ceases to be an Eligible Participant under the Plan;
 - (c) an Option granted to any Optionee who is an Eligible Charitable Organization must expire on the earlier of (i) 10 years from the date of grant, and (ii) 90 days following the date that such Person ceases to be an Eligible Participant under the Plan; and
 - (d) 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

3.11 Subject to Section 3.10, 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

3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and manner stated below:

- (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 Corporation 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 Corporation 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, subject to approval of the TSX Venture, the Corporation 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 Corporation, merger or amalgamation of the Corporation with or into any other Corporation or a sale of the property of the Corporation as or substantially as an entirety at any time while an Option is in effect, subject to approval of the TSX Venture, 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, 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 Corporation for the purposes of this Section 3.12;
- (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 Corporation 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 Section 3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Corporation; 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 Section 3.12, such questions will be conclusively determined by the Corporation's auditors, or, if they decline to so act, any other firm

of Chartered Accountants, in Toronto, Ontario (or in the city of the Corporation's principal executive office) that the Corporation may designate and who will be granted access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

Stock Option Agreement

4.1 Upon grant of an Option hereunder, an authorized Officer of the Corporation will deliver to the Optionee a Stock Option Agreement 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.

Manner of Exercise

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

- (a) a written notice to the Corporation 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 Corporation for the aggregate Exercise Price for the Optioned Shares being acquired.

Tax Withholding and Procedures

4.3 Notwithstanding anything else contained in this Plan, the Corporation 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 Corporation, or an Affiliate, for the amount determined by the Corporation, or an Affiliate, to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Corporation, or an Affiliate, (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 Corporation.

Delivery of Optioned Shares and Hold Periods

4.4 As soon as practicable after receipt of the notice of exercise described in Section 4.2 and payment in full for the Optioned Shares being acquired, the Corporation will direct its transfer agent to issue to the Optionee, the appropriate number of Optioned Shares. 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 TSX Venture hold period commencing on the date stipulated in the Stock Option Agreement under following circumstances:

- (a) the Options are granted to a Director;
- (b) the Options are granted to an Officer;

- (c) the Options are granted to a Consultant;
- (d) the Options are granted to Persons holding securities carrying more than 10% of the voting rights attached to the Corporation's securities both immediately before and after the grant in which the Options are issued, and who have elected or appointed or have the right to elect or appoint one or more Directors or Officers of the Corporation; or
- (e) the Options are granted at an Exercise Price that is set below the Market Price of a Common Shares at the Effective Date.

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 Corporation, or interfere in any way with the right of the Corporation 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 Corporation 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 ITA or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Optionee. Compliance with applicable securities laws as to the disclosure and resale obligations of each Optionee is the responsibility of each Optionee and not the Corporation.

Interpretation

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

Continuation of Plan

- 5.4 The Plan will become effective from and after the reference date of this Plan as noted on page 1 hereof, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Corporation subsequent to the reference date of the Plan.

Amendment of the Plan

- 5.5 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 Eligible Participants.

SCHEDULE A
YUBBA CAPITAL CORP.
STOCK OPTION AGREEMENT

Nurcapital Corporation Ltd. (the “**Corporation**”) has granted to (the “**Optionee**”), an option to acquire common shares (the “**Options**”) of the Corporation, subject to the terms and conditions of the Corporation’s stock option plan (the “**Plan**”) established by the Corporation or any successor plan thereto, as amended from time to time in accordance with its terms, or as may be required by the TSX Venture Exchange (the “**TSX-V**”), which are deemed to be incorporated in this stock option agreement (the “**Option Agreement**”), and to the following specific provisions:

Option Agreement and Grant Date: _____

Position with Corporation: _____

Number of Options: _____

Exercise Price: _____

Expiry Date: _____

Option Vesting Schedule: The Options shall vest [immediately]

The Optionee agrees to be bound by the terms of the Plan. The terms of the Plan are deemed to be incorporated and to form a part of this Option Agreement. In the event of any inconsistency between the terms of the Plan and the terms of this agreement, the terms of the Plan will prevail.

The Corporation and the Optionee represent that the Optionee, under the terms and conditions of the Plan, is an Eligible Participant (as defined in the Plan), entitled to receive Options under TSX-V policies.

Each Optionee is solely responsible for reporting any tax benefit arising from the grant or exercise of the Option, as applicable, in his, her or its income tax return in the particular jurisdiction of residence.

If you exercise your Options before four months from the Option Grant date, a certificate for the Common Shares so acquired may, if determined by the Corporation, in its sole discretion, to be required or desirable, be issued bearing the following legends:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [insert date that is four months and a day after the distribution date.]”

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON _____ [insert date that is four months and one day from grant date].”

[delete if not applicable:] If you are a U.S. resident, the following additional legend will apply:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED

STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF INVESTOR'S COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS."

Acknowledgement – Personal Information

The information set out in this Option Agreement about the undersigned Optionee will be used by the Corporation for making certain filings with the TSX-V and other applicable regulatory authorities. The Optionee acknowledges and consents to the collection and use of the Personal Information contained in this Option Agreement by the Corporation for the above purposes or as otherwise required by the TSX- V or other applicable regulatory authorities from time to time in accordance with their regulations. If you are in doubt about the above applicable requirements, please contact the Corporation.

**Acknowledged and agreed by the
Optionee:**

YUBBA CAPITAL CORP.

[insert name of Optionee]

Authorized Signatory

Address

Address (continued)

Telephone number

Email Address

**YUBBA CAPITAL CORP.
(the "Corporation")**

**STOCK OPTION EXERCISE
NOTICE**

TO: Yubba Capital Corp
2131 Lawrence Avenue East, Suite 207
Toronto, Ontario
M1R 5G4

The undersigned hereby gives notice of exercise of Options as detailed below and encloses a cheque or bank draft, payable to the Corporation, in the designated amount representing payment in full for those shares.

Option Agreement and Grant Date:

Number of Options Exercised:

Position with Corporation:

Exercise Price:

Option Exercise Amount:

\$

Plus Tax Withholding Amount: [if applicable]

\$

TOTAL:

\$

Balance of number of Options remaining exercisable until [insert option expiry date]:

DATED

Print name of Optionee

Signature of Optionee

Address (for registration of shares)

Delivery address (if different from share registration address)

Telephone Number

Email Address

Yubba Capital Corp.

(A Capital Pool Corporation)

Financial Statements

**For the year ended December 31, 2022 and period from January 8, 2021
(date of incorporation) to December 31, 2021**

(In Canadian Dollars)

To the Shareholders of Yubba Capital Corp.:

Opinion

We have audited the financial statements of Yubba Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2022 and December 31, 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2022 and the period from January 8, 2021 (date of incorporation) to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and December 31, 2021, and its financial performance and its cash flows for the year ended December 31, 2022 and the period from January 8, 2021 (date of incorporation) to December 31, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Blair Michael Mabee.

Mississauga, Ontario

March 27, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Yubba Capital Corp.

Statements of Financial Position

(In Canadian Dollars)

As at December 31, 2022 and 2021

	As at December 31, 2022	As at December 31, 2021
ASSETS		
Current		
Cash (note 4)	\$ 213,279	\$ 264,756
Total Assets	\$ 213,279	\$ 264,756
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 9,532	\$ 29,557
SHAREHOLDERS' EQUITY		
Share capital (note 5)	300,690	300,690
Contributed surplus (note 5)	24,974	24,974
Accumulated deficit	(121,917)	(90,465)
	203,747	235,199
Total Liabilities and Shareholders' Equity	\$ 213,279	\$ 264,756

Incorporation and nature of business (note 1)

The accompanying notes are an integral part of these financial statements.

Approved by the Board

Brian Morales

Director (Signed)

Edward (Ted) Yew

Director (Signed)

Yubba Capital Corp.

Statements of Loss and Comprehensive Loss

(In Canadian Dollars)

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

	For the year ended December 31, 2022	For the period from January 8 to December 31, 2021
Expenses		
Professional fees	\$ 12,575	\$ 30,551
Public company and transaction costs	13,250	43,218
Share based payments expense	-	15,687
Other	5,627	1,009
	31,452	90,465
Net loss and comprehensive loss for the year / period	(31,452)	(90,465)
Net loss per share - basic and diluted (note 5)	\$ (0.01)	\$ (0.02)
Weighted average shares outstanding - basic and diluted (note 5)	5,220,000	3,789,748

The accompanying notes are an integral part of these financial statements.

Yubba Capital Corp.

Statements of Cash Flows

(In Canadian Dollars)

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

	For the year ended December 31, 2022	From January 8, 2021 to December 31, 2021
Cash flow used in operating activities		
Net loss	\$ (31,452)	\$ (90,465)
Adjustments for non-cash items:		
Share based payments expense	-	15,687
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities	(20,025)	29,557
Net cash used in operating activities	(51,477)	(45,221)
Cash flow from financing activities		
Issuance of common shares for cash on Incorporation	-	149,500
Issuance of common shares, net	-	160,477
Net cash provided from financing activities	-	309,977
Net change in cash	(51,477)	264,756
Cash, beginning of year / period	264,756	-
Cash, end of year / period	\$ 213,279	\$ 264,756

The accompanying notes are an integral part of these financial statements.

Yubba Capital Corp.

Statements of Changes in Shareholders' Equity

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

(In Canadian Dollars)

	Number of shares	Share capital	Contributed surplus	Accumulated deficit	Shareholders' equity
Balance, January 8, 2021	-	\$ -	\$ -	\$ -	\$ -
Issuance of common shares, net	3,000,000	149,500	-	-	149,500
Issuance of common shares, net	2,220,000	151,190	9,287	-	160,477
Share based payment expense	-	-	15,687	-	15,687
Net loss for the period	-	-	-	(90,465)	(90,465)
Balance, December 31, 2021	5,220,000	\$ 300,690	\$ 24,974	\$ (90,465)	\$ 235,199
Net loss for the year	-	-	-	(31,452)	(31,452)
Balance, December 31, 2022	5,220,000	\$ 300,690	\$ 24,974	\$ (121,917)	\$ 203,747

The accompanying notes are an integral part of these financial statements.

Yubba Capital Corp.

Notes to the Financial Statements

(In Canadian Dollars)

For the year ended December 31, 2022 and for the period from January 8, 2021 (date of incorporation) to December 31, 2021

1. Incorporation and nature of business

Yubba Capital Corp. ("Yubba" or the "Company") was incorporated on January 8, 2021, under the Ontario Business Corporations Act. The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange").

The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, subject to the requirements of the TSX Venture Exchange. These restrictions will apply until completion of a QT by the Company as defined under the policies of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval.

The head office and the registered head office of the Company is located at 2131 Lawrence Avenue East, Suite 207, Toronto, ON, M1R 5G4.

These financial statements were authorized for issue in accordance with a resolution of the directors on March 27, 2023.

COVID-19

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The Company does not believe the effects of COVID-19 will have an impact on operations.

2. Basis of preparation and statement of compliance

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of presentation

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Yubba Capital Corp.

Notes to the Financial Statements

(In Canadian Dollars)

For the year ended December 31, 2022 and for the period from January 8, 2021 (date of incorporation) to December 31, 2021

2. Basis of preparation and statement of compliance (continued)

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

There were no key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

3. Significant accounting policies

Financial Instruments

Financial Instruments: IFRS 9 - Financial Instruments was issued by the IASB to establish principles for the financial reporting of financial assets and financial liabilities, including requirements for classification and measurement, impairment, and hedge accounting.

Classification

Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 approach for the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements. The new model also results in a single impairment model being applied to all financial instruments.

Financial Assets

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets designated as fair value through profit or loss

Financial assets measured at FVTPL include financial assets management intends to sell and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss and comprehensive loss.

Fair value through other comprehensive income

Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive (loss) income. Income arising in the form of interest, dividends, or similar, is recognized through profit and loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Financial Liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition).

Yubba Capital Corp.

Notes to the Financial Statements

(In Canadian Dollars)

For the year ended December 31, 2022 and for the period from January 8, 2021 (date of incorporation) to December 31, 2021

3. Significant accounting policies (continued)

Other financial liabilities

This category includes all other financial liabilities, all of which are recognized at amortized cost.

The Company's financial instruments consist of the following:

Financial assets	IFRS 9 Classification
Cash	FVTPL

Financial Liabilities	IFRS 9 Classification
Accounts payable and accrued liabilities	Amortized cost

Fair value hierarchy

The Company classifies its financial instruments according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Cash is classified within level 1 of the fair value hierarchy.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method with interest expense being recognized on an effective yield basis. Accounts payable and accrued liabilities are measured in this category.

Share capital

Proceeds from the issuance of common shares are classified as equity in the statements of financial position. Incremental costs directly attributable to the issuance of shares are recognized as a deduction, net of any tax effects.

Share-based payments

The Company applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at their fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of stock options is presented as share-based payment expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Yubba Capital Corp.

Notes to the Financial Statements

(In Canadian Dollars)

For the year ended December 31, 2022 and for the period from January 8, 2021 (date of incorporation) to December 31, 2021

3. Significant accounting policies (continued)

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

4. Cash

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than \$3,000 per month of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

5. Share capital and contributed surplus

Authorized: Unlimited number of voting Common Shares.

Issued: During the period from January 8, 2021 to February 28, 2021, the Company issued 3,000,000 common shares at a price of \$0.05 per share for gross cash proceeds of \$150,000.

All Common Shares: (a) issued at a price below the price of the Common Shares issued in the Corporation's initial public offering ("IPO"); and (b) all shares acquired from treasury after the IPO but before the date of the Final QT Exchange Bulletin (as defined in the Policy) which are, directly or indirectly, beneficially owned or controlled by Non-Arm's Length Parties (as defined in the Policy) to the Corporation, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow. Twenty five percent (25%) of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional twenty five percent (25%) will be released on each date which are 6 months, 12 months, and 18 months following the Initial Release.. As at December 31, 2022, there are 3,000,000 common shares in escrow (December 31, 2021 – 3,000,000).

On August 26, 2021, the Company completed its initial public offering (the "Offering") in British Columbia, Alberta and Ontario of an aggregate of 2,220,000 common shares ("Common Shares") at a price of \$0.10 per Common Share for aggregate gross proceeds of \$222,000.

The net proceeds of the Offering, together with the proceeds from prior sales of Common Shares will be used by the Company to identify and evaluate assets or businesses for acquisition with a view to completing a "Qualifying Transaction" under the capital pool company program of the TSXV.

In connection with the Offering, the Company granted to the Agent warrants to acquire up to an aggregate of 177,600 Common Shares at a price of \$0.10 per share for a period of five years from the closing of the Offering. In connection with the Offering, the Agent also received a cash commission of \$17,760, representing 8% of the aggregate gross proceeds of the Offering.

Yubba Capital Corp.

Notes to the Financial Statements

(In Canadian Dollars)

For the year ended December 31, 2022 and for the period from January 8, 2021 (date of incorporation) to December 31, 2021

5. Share capital and contributed surplus (continued)

Total transaction fees in respect of the Offering were \$71,810, including \$9,287 related to the value ascribed to the Agent options. The Agent warrants were valued using a Black-Scholes valuation methodology using the following assumptions: an estimated life of 5 years, a volatility of 100%, based on comparable companies, a risk free rate of 1%, a dividend yield of nil, and a share price of \$0.10.

The following table reflects the warrants outstanding as of December 31, 2022:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Warrants Outstanding	Number of Warrants Vested (Exercisable)
August 26, 2026	\$0.10	3.65	177,600	177,600

Stock option plan

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX Venture Exchange (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares. The options are exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares.

The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture.

During the period ended December 31, 2021, the Company granted share options to purchase an aggregate up to 300,000 common shares at a price of \$0.10 for a period of 5 years from grant date to directors and officers under the Company's share option plan on closing of the Offering. During the period from January 8, 2021, to December 31, 2021, the Company recognized share based payment expense of \$15,687. The share based payment expense was measured using the Black Scholes valuation model assuming a share price of \$0.10 per share, an expected life of five years, a volatility of 100% and a risk free rate of 0.5%.

The following table reflects the stock options outstanding as at December 31, 2022:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
August 26, 2026	\$0.10	3.65	300,000	300,000

Yubba Capital Corp.

Notes to the Financial Statements

(In Canadian Dollars)

For the year ended December 31, 2022 and for the period from January 8, 2021 (date of incorporation) to December 31, 2021

6. Capital management

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets. The Company's objectives when managing capital are: i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and, ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that that not more than \$3,000 per month of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange policy 2.4.

The Company is not subject to any externally or internally imposed capital requirements at period-end apart from the capital requirements of the Exchange.

7. Income taxes

A reconciliation of combined federal and provincial corporate income taxes at statutory rates of 26.5% (2021 – 26.5%) to the Company's effective income tax expense is as follows:

	For the year ended December 31, 2022	For the period from January 8 to December 31, 2021
Net loss	\$ (31,452)	\$ (90,465)
Expected income tax recovery	\$ (8,335)	\$ (23,973)
Share based payment expense and other non-deductible items	-	4,193
Share issuance costs recorded in equity	-	(15,118)
Change in valuation allowance	8,335	34,898
Income tax recovery	\$ -	\$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2022	December 31, 2021
Non-capital losses carried forward	\$ 133,676	\$ 74,641
Share issuance costs	43,060	57,048
Total unrecognized deferred tax assets	\$ 176,736	\$ 131,689

The non-capital losses can be carried forward twenty years to be applied against future taxable income, with the balance expiring in 2042. Deferred tax assets have not been recognized in respect of this item because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

Yubba Capital Corp.

Notes to the Financial Statements

(In Canadian Dollars)

For the year ended December 31, 2022 and for the period from January 8, 2021 (date of incorporation) to December 31, 2021

8. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument. Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities. Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of accounts payable and accrued liabilities approximates its fair value due to the short-term maturities of these items.

9. Related party transactions

During the period from January 8, 2021 to December 31, 2021, 2,600,000 common shares were issued at a price of \$0.05 per share for gross proceeds of \$130,000 to Directors, Officer and companies related to directors and Officer of the Company.

There was no remuneration was paid to key management personnel during the year ended December 31, 2022. During the period from January 8, 2021 to December 31, 2021 the Company issued 300,000 stock options with a fair value of \$15,687 to the directors and officers.

10. Qualifying Transaction

On December 31, 2022, the Company and Impact Housing Corporation ("IHC") announced that they have entered into a letter of intent dated December 1, 2022 (the "LOI"), pursuant to which Yubba and IHC will complete a transaction that will result in a reverse take-over of Yubba by IHC (the "Proposed Transaction"). The Proposed Transaction, if completed, will constitute Yubba's "Qualifying Transaction" (as such term is defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV")).

IHC is a Panamanian based real estate developer, incorporated under the laws of the Republic of Panama on February 15, 2017, that provides affordable housing supported by a longstanding subsidized government program with multiple product offerings. The principal business of IHC is to build and develop affordable and high quality subsidized houses and in the Republic of Panama to support the middle class market. The vision of IHC is effectuated by a vertically integrated model which coordinates all services necessary to develop high-quality residential and commercial buildings; including but not limited to land acquisition, financing, architectural, engineering, off-site manufacturing, general contracting, property management, and administration. IHC is incorporated under the laws of the Republic of Panama.

Yubba Capital Corp.

Notes to the Financial Statements

(In Canadian Dollars)

For the year ended December 31, 2022 and for the period from January 8, 2021 (date of incorporation) to December 31, 2021

10. Qualifying Transaction (continued)

In conjunction with, and prior to the closing of the Proposed Transaction, IHC intends to complete a private placement offering of a minimum USD\$6,000,000 of subscription receipts (the “Concurrent Offering”). Immediately prior to the completion of the Proposed Transaction, it is anticipated that each subscription receipt will be converted into (1) common share in the capital of IHC. The offering price (the “Offering Price”) for the Concurrent Financing shall be based on several factors, including general market conditions at the time of the Concurrent Financing. A comprehensive news release with further particulars and full terms will be provided prior to the closing of the Concurrent Offering, in accordance with the policies of the TSXV.

The Proposed Transaction is expected to be structured as a plan of arrangement, three-cornered amalgamation, merger, a share exchange or other mechanism deemed to be most effective, as determined by the mutual agreement of IHC and Yubba upon receipt of tax, corporate and securities law advice. Pursuant to the Proposed Transaction, holders of common shares in the capital of IHC (the “IHC Shares”), including those investors in the Concurrent Offering, will receive one (1) common share in the capital of Yubba (each, a “Yubba Share”) for each IHC Share held. In order to align the value of the Yubba Shares with the value per IHC Share at which the Proposed Transaction will be completed, it is anticipated that Yubba will complete either a share split or share consolidation (the “Share Capital Amendment”) on the basis of a ratio that results in the aggregate number of post-Share Capital Amendment Yubba Shares multiplied by the Offering Price being equal to C\$1,100,000, subject to customary adjustments.

Yubba Capital Corp.

Management's Discussion and Analysis

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

YUBBA CAPITAL CORP.

Management's Discussion and Analysis

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

The following discussion of the results of operations, financial condition and cash flows of Yubba Capital Corp. (the "Company") was prepared as at March 27, 2023, and should be read in conjunction with the Company's financial statements for the year ended December 31, 2022 and period from January 8, 2021 to December 31, 2021, prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements are available at www.sedar.com. All amounts disclosed are in Canadian dollars unless otherwise stated.

Forward Looking Statements

This Management Discussion and Analysis contains "forward-looking statements" which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company and its projects, capital and operating expenditures, costs and timing of the development of new acquisitions, and requirements for additional capital. Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved. Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "Business Environment and Risks". Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as at the date of this management discussion and analysis. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements except as required by applicable securities laws.

Nature of operations

Yubba Capital Corp. ("Yubba" or the "Company") was incorporated on January 8, 2021, under the Ontario Business Corporations Act. The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange").

The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, subject to the requirements of the TSX Venture Exchange. These restrictions will apply until completion of a QT by the Company as defined under the policies of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval.

YUBBA CAPITAL CORP.

Management's Discussion and Analysis

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

Private Placement

During the period from January 8, 2021 to February 28, 2021, the Company issued 3,000,000 common shares at a price of \$0.05 per share for gross cash proceeds of \$150,000.

All of the common shares issued are to be held in escrow. 25% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin with the remainder released based on the TSX Venture Exchange rules following the completion of a successful completion of a Qualifying Transaction. These common shares, which are considered contingently issuable until the Company completes a Qualifying Transaction.

Initial Public Offering

On August 26, 2021, the Company completed its initial public offering (the "Offering") in British Columbia, Alberta and Ontario of an aggregate of 2,220,000 common shares ("Common Shares") at a price of \$0.10 per Common Share for aggregate gross proceeds of \$222,000.

The net proceeds of the Offering, together with the proceeds from prior sales of Common Shares will be used by the Company to identify and evaluate assets or businesses for acquisition with a view to completing a "Qualifying Transaction" under the capital pool company program of the TSXV.

In connection with the Offering, the Company granted to the Agent options to acquire up to an aggregate of 177,600 Common Shares at a price of \$0.10 per share for a period of five years from the closing of the Offering. In connection with the Offering, the Agent also received a cash commission of \$17,760, representing 8% of the aggregate gross proceeds of the Offering.

Total transaction fees in respect of the Offering were \$71,810, including \$9,287 related to the value ascribed to the Agent options.

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

During the year ended December 31, 2022, the Company incurred \$12,575 in professional fees compared with \$30,551 for the period ended December 31, 2021. Professional fees were lower as the Company incurred additional professional fees related to a potential acquisition during the prior period.

During the year ended December 31, 2022, public company and transaction costs were \$13,250 compared with \$43,218 for the period from January 8, 2021 to December 31, 2021. The decrease was primarily due to a decrease in corporate activity.

As at December 31, 2022, the Company had assets of \$213,279 (December 31, 2021 - \$264,756) and shareholders' equity of \$203,747 (December 31, 2021 - \$235,199). The Company had liabilities of \$9,532 (December 31, 2021 - \$29,557). The decrease was largely attributed to the net loss.

As at December 31, 2022, the Company has working capital of \$203,747 (December 31, 2021 - \$235,199). The Company had cash of \$213,279 (December 31, 2021 - \$264,756).

The Company has no source of revenue. There can be no assurance that adequate funding will be available in the future, or available under terms favorable to the Company.

The Company has no revenues, so its ability to ensure continuing operations is dependent on additional funding and the acquisition and development of an operating asset.

YUBBA CAPITAL CORP.

Management's Discussion and Analysis

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

Net loss

For the year ended December 31, 2022, the Company had a net loss of \$31,452 and a net loss of \$90,465 for the period from January 8, 2021 to December 31, 2021.

A summary of selected information for the last eight quarters are as follows:

Three Month Periods Ended	Net Revenues (\$)	Net loss		Total Assets (\$)
		Total (\$)	Per Share (\$)	
2022 – December 31	-	\$(5,245)	0.00	213,279
2022 – September 30	-	(5,563)	0.00	214,850
2022 – June 30	-	(15,632)	0.00	227,302
2022 – March 31	-	(5,012) ⁽¹⁾	0.00	258,638
2021 – December 31	-	(20,802) ⁽¹⁾	(0.01)	264,756
2021 – September 30	-	(19,248) ⁽¹⁾	(0.01)	268,020
2021 – June 30	-	(18,376) ⁽¹⁾	(0.01)	126,355
From incorporation to 2021 – March 31	-	(32,039) ⁽¹⁾	(0.01)	144,731

Notes:

- ⁽¹⁾ The Company recognized a net loss largely due to the costs associated with the listing with the TSX Venture.

Selected data for the year ended December 31, 2022 and period from January 8, 2021 to December 31, 2021

	2022	2021
Revenue	-	-
Expenses	31,452	90,465
Net loss	(31,452)	(90,465)
Total assets	213,279	264,756

Liquidity and Capital Resources

As at December 31, 2022, Company had cash of \$213,279, compared with cash of \$264,756 as at December 31, 2021.

The Company's primary source of cash, beyond its own balance sheet, would be potential financing transactions. The Company's primary use of cash include general and administrative costs.

Operating Activities

Cash used by operating activities for the year ended December 31, 2022, was \$51,477 compared with

YUBBA CAPITAL CORP.

Management's Discussion and Analysis

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

\$45,221 for period from January 8, 2021 to December 31, 2021. The increase was attributed to a lower net change in non-cash working capital items.

Financing Activities

The Company had no financing activities for the year ended December 31, 2022. During the period from January 8, 2021 to December 31, 2021, the Company raised \$149,500 as a result of a private placement, on incorporation and raised \$160,477 in net proceeds through the issuance of common shares.

Capital Resources

The has no outstanding commitments for capital expenditures. Other than cash on hand, the Company has no other ability to fund its working capital obligations.

Outlook

Initial Public Offering

On August 26, 2021, the Company completed its initial public offering (the "Offering") in British Columbia, Alberta and Ontario of an aggregate of 2,220,000 common shares ("Common Shares") at a price of \$0.10 per Common Share for aggregate gross proceeds of \$222,000.

The net proceeds of the Offering, together with the proceeds from prior sales of Common Shares will be used by the Company to identify and evaluate assets or businesses for acquisition with a view to completing a "Qualifying Transaction" under the capital pool company program of the TSXV.

In connection with the Offering, the Company granted to the Agent options to acquire up to an aggregate of 177,600 Common Shares at a price of \$0.10 per share for a period of five years from the closing of the Offering. In connection with the Offering, the Agent also received a cash commission of \$17,760, representing 8% of the aggregate gross proceeds of the Offering.

Total transaction fees in respect of the Offering were \$71,810, including \$9,287 related to the value ascribed to the Agent options.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements at either December 31, 2022 and 2021.

Related party transactions

During the period from January 8, 2021 to December 31, 2021, 2,600,000 common shares were issued at a price of \$0.05 per share for gross proceeds of \$130,000 to Directors, Officer and companies related to directors and Officer of the Company.

There was no remuneration was paid to key management personnel during the year ended December 31, 2022. During the period from January 8, 2021 to December 31, 2021 the Company issued 300,000 stock options with a fair value of \$15,687 to the directors and officers.

Outstanding Share Data

As at March 27, 2022, the Company had 5,220,000 common shares and outstanding.

Financial risk management

The Company has exposure to liquidity risk, and fair value risk. The Company's risk management objective is to protect cash flow and, ultimately, shareholder value. Risk management strategies, as

YUBBA CAPITAL CORP.

Management's Discussion and Analysis

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

discussed below, are designed and implemented to ensure the Company's risks and the related exposures are consistent with the business objectives and risk tolerance.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity by ensuring that there is sufficient capital to meet short and long-term business requirements, after taking into account cash flows for administration expenses from operations and the Company's holdings of cash. The Company also strives to maintain sufficient financial liquidity at all times in order to participate in investment opportunities as they arise, as well as to withstand sudden adverse changes in economic circumstances. As the Company is currently inactive, it has no outstanding commitments for capital expenditures. Other than cash on hand, the Company has no ability to fund its working capital obligations.

Management forecasts cash flows for its current and subsequent fiscal years to predict future financing requirements. Future requirements may be met through a combination of credit and access to capital markets. At December 31, 2022, the Company had \$213,279 (December 31, 2021 - \$264,756) in cash.

Fair Values: The Company's amounts payable and accrued liabilities, all had fair values which approximate their carrying values due to their short term maturities.

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborate by observable market data or other means. Level 3 inputs are unobservable. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Company only classified cash as FVTPL, which is measured using Level 1 inputs.

Business Environment and Risks

Potential future financial requirements: In order to meet its liabilities additional financing will be required.

Current Global Financial Conditions: Current global financial conditions have been subject to increased volatility and as a result, access to financing may be negatively impacted. These factors may further impact the ability of the Company to obtain additional capital in the future. If these increased levels of volatility continue, the Company's operations could be adversely impacted and the value and the price of its common shares and other securities could continue to be adversely affected.

Negative Operating Cash flows: The Company currently does not have any revenues and as a result the Company has experienced negative operating cash flow. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed.

The Company expects to continue to incur losses unless and until such time that it acquires a business. to fund its operations. There can be no assurance that the Company will generate any revenues or achieve profitability nor can there be any assurance that the underlying assumed levels of expenses will prove to be accurate.

Key Executives and Directors: The Company is dependent on the services of its executives and directors. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled people may adversely affect its business and future operations.

Conflicts of Interest: Certain directors and officers of the Company may serve from time to time as directors, officers, promoters and members of management of other companies involved in other

YUBBA CAPITAL CORP.

Management's Discussion and Analysis

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

companies and therefore it is possible that a conflict may arise between their duties as a director or officers of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest. The Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Company's Act* (Ontario) and the directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

COVID-19: The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods.

Critical Accounting Estimates

The Company's financial statements are prepared in accordance with IFRS and, in preparing these statements, management must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and assumptions are believed to be reasonable under the circumstances and are based on historical experience and current conditions. The use of other assumptions could result in different estimates, and actual results may vary from results based on these estimates. As events occur and additional information is obtained, these estimates may be subject to change. Estimates are deemed critical when the Company's financial condition or results of operations could be materially impacted by a change in estimate. The Company's significant accounting policies are discussed in its financial statements for the year ended December 31, 2022.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to, the provision for income taxes.

Disclosure Controls and Procedures

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence in that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate do not make any representations relating to the establishment and maintenance of:

YUBBA CAPITAL CORP.

Management's Discussion and Analysis

For the year ended December 31, 2022 and period from January 8, 2021 (date of incorporation) to December 31, 2021

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.