

POWER GROUP PROJECTS CORP.

520 – 999 West Hastings Street
Vancouver, BC V6C 2W2

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of shareholders of **Power Group Projects Corp.** (the "**Company**") will be held online only via a virtual meeting portal, through which shareholders can listen to the Meeting and submit questions, on **Thursday, October 19, 2023**, at the hour of 10:00 a.m. (Vancouver time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the years ended January 31, 2022 and January 31, 2023, and the report of the auditors thereon;
2. to pass, with or without variation, an ordinary resolution fixing the number of directors of the Company at four (4);
3. to elect the directors of the Company;
4. to confirm the appointment by the board of directors of, and to appoint, the auditors of the Company and to authorize the directors to fix their remuneration;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of shareholders approving and confirming the stock option plan of the Company; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The accompanying management information circular (the "**Circular**") provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual general and special meeting ("**Notice**"). Also accompanying this Notice are (i) Form of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Additional information about the Company and its financial statements are also available on the Company's profile at www.sedar.com.

The board of directors of the Company has by resolution fixed the close of business on Thursday, September 14, 2023 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof.

Registered shareholders who are unable to attend the Meeting, are requested to date, complete and sign the enclosed form of proxy so that as large a representation as possible may be had at the Meeting, and deliver it in accordance with the instructions set out in the form of proxy and in the accompanying Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the Form of Proxy or Voting Instruction Form to ensure that their common shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.

ZOOM MEETING DETAILS:

In order to dial into the Meeting within Canada, shareholders can phone 1.778.907.2071 or in the United States, shareholders can phone 1.669.900.6833 and enter the Meeting ID and Password noted below.

Alternatively, you can find your local number at: <https://zoom.us/j/83140796703>

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

<https://us02web.zoom.us/j/83140796703?pwd=Tyt0a29ENUdTUEdnVXF3cnRORmQ2dz09>

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

Meeting ID: 831 4079 6703

Passcode: 279792

In order to assist the Scrutineer with attendance, Shareholders are asked to log into the Meeting with their First and Last Names.

DATED at Vancouver, BC this 14th day of September, 2023.

BY ORDER OF THE BOARD

"David Kwok" (signed)

Chief Financial Officer and Director

POWER GROUP PROJECTS CORP.

520 – 999 West Hastings Street
Vancouver, BC V6C 2W2

MANAGEMENT INFORMATION CIRCULAR

As at September 14, 2023

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF POWER GROUP PROJECTS CORP. (the "**Company**") of proxies to be used at the annual general and special meeting of shareholders of the Company to be held online only via a virtual meeting portal, through which shareholders can listen to the Meeting and submit questions, on Thursday, October 19, 2023 at 10:00 a.m. (Vancouver time), and at any adjournment or postponement thereof (the "**Meeting**") for the purposes set out in the accompanying notice of meeting (the "**Notice**"). 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 proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice, this management information circular ("**Circular**"), the annual consolidated financial statements of the Company for the financial years ended January 31, 2022 and January 31, 2023 and related management's discussion and analysis and other meeting materials, if applicable (collectively the "**Meeting Materials**") to the beneficial owners of the common shares of the Company (the "**Common Shares**") held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice.

APPOINTMENT AND REVOCATION OF PROXIES

A holder of Common Shares who appears on the records maintained by the Company's registrar and transfer agent as a registered holder of Common Shares (each a "**Registered Shareholder**") may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice.

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the transfer agent and registrar of the Company, Endeavor Trust Corporation, (the "**Transfer Agent**"), not later than 10:00 a.m. (Vancouver time) on Tuesday, October 17, 2023 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

VOTING METHODS	
BY MAIL OR HAND DELIVERY:	Endeavor Trust Corporation 702 – 777 Hornby Street Vancouver, BC V6Z 1S4
FACSIMILE – 24 HOURS A DAY	604.559.8908
EMAIL	proxy@endeavortrust.com
ONLINE	As listed on Form of Proxy or Voter Information Card

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the provisions of the *Business Corporations Act* (British Columbia), to (i) the registered office of the Company, located at 520 – 999 West Hastings Street, Vancouver, BC, V6C 2W2, at any time prior to 5:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a beneficial holder of Common Shares who does not appear on the records maintained by the Company's registrar and transfer agent as a registered holder of Common Shares (each a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) (each a "**Clearing Agency**") of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer

Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

Distribution of Meeting Materials to Non-Registered Holders

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company's OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

Voting by Non-Registered Holders

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below.

Non-Registered Holders will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

Voting by Non-Registered Holders at the Meeting

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominee's name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of September 14, 2023 (the "**Record Date**"), there were an aggregate of 119,560,556 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

Other than as otherwise disclosed in this Circular, no director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the "**Board**"), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

1. PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the years ended January 31, 2022 and January 31, 2023 and the report of the auditors will be placed before the shareholders at the Meeting. No vote will be taken on the consolidated financial statements. The consolidated financial statements and additional information concerning the Company are available under the Company's profile at www.sedarplus.ca.

2. ELECTION OF DIRECTORS

The size of the Board is currently set at four (4). Shareholders will be asked to approve an ordinary resolution that the number of directors elected be fixed at four (4). The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The directors of the Company determined that four (4) directors will be nominated at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Each director elected at the Meeting will hold office until the next annual general meeting of the shareholders of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the notice of articles or articles of the Company or the provisions of the BCBCA.

The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of securities beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Percentage of Voting Shares Owned or Controlled
Aleem Nathwani ⁽²⁾ Toronto, ON <i>Chief Executive Officer & Director</i>	Corporate Finance Professional	April 23, 2020	Common Shares – Nil Options – 425,000 ⁽³⁾	n/a 25%
David Kwok ⁽²⁾ Vancouver, BC <i>Chief Financial Officer & Director</i>	Accountant	April 23, 2020	Common Shares – Nil Options – 425,000 ⁽³⁾	n/a 25%
Scott Hayduk ⁽²⁾ Leduc, AB <i>Director</i>	Corporate Finance Professional	May 24, 2022	nil	n/a
Eric Boehnke Vancouver, BC <i>Director</i>	Corporate Finance Professional	June 14, 2022	nil	n/a

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee.
- (3) All of these options are held by Nathwani Capital Inc., a company wholly-owned by Mr. Nathwani.

Details of Directors Not Previously Elected by a Shareholder Vote

Scott Hayduk

Mr. Hayduk is a Corporate Finance Professional with over 20 years of Investment Banking and Corporate Advisory experience. Mr. Hayduk has spent most of his career specializing in the Americas, MENA, Europe and Asia / Asia Pacific Oil & Gas Producers, Energy Infrastructure, Oil Gas Services and Oil & Gas Technology Special Situations. He started his career with BMO Nesbitt Burns and spent most of his career with employee-owned and highly successful Canadian boutique Investment Bank, Orion Securities, through its purchase by Macquarie Bank as a Director. Mr. Hayduk has worked on several billion dollars of Equity, Debt and M&A transactions, respectively. Mr. Hayduk has served as both Director and Officer of numerous Public and Private companies.

Eric Boehnke

Mr. Boehnke is the chief executive officer and a director of Trenchant Capital Corp., an investment issuer, listed on the Canadian Securities Exchange. He is a former CEO, executive vice-chairman and director of Terrace Energy Corp., an oil and gas exploration and production company with projects in the United States listed on the TSX Venture Exchange. He has served as director and on the audit committees of a number of Toronto Stock Exchange- and TSX Venture Exchange-listed companies. Mr. Boehnke is also the president and a director of Big Sky Management Ltd., a private company principally involved with providing corporate finance services to private and public companies. Mr. Boehnke holds a bachelor of science from the University of Toronto.

Corporate Cease Trade Orders or Bankruptcies

Other than as set forth below, no proposed director, within 10 years before the date of this Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively an "Order") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

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

Other than as set forth below, no proposed director, within 10 years before the date of this Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

None of the directors of the Company have, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the directors of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to 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.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

3. RE-APPOINTMENT OF AUDITORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution re-appointing RSM Canada LLP, Chartered Professional Accountants, as auditor of the Company to hold office until the next annual meeting of the shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board of Directors of the Company to fix the remuneration to be paid to the auditor fixed by the directors. RSM Canada LLP, Chartered Professional Accountants, were first appointed as the auditors of the Company on April 1, 2016.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF RSM CANADA LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

4. APPROVAL AND CONFIRMATION OF THE STOCK OPTION PLAN

The Company has adopted a "rolling" stock option plan (the "**Stock Option Plan**") for officers, directors, employees and consultants of the Company. The Stock Option Plan provides for the issue of stock options to acquire up to 10% of the issued and outstanding Common Shares as at the date of grant, subject to standard anti-dilution adjustment. This is a "rolling" stock option plan as the number of Common Shares reserved for issue pursuant to the grant of stock options will increase as the number of issued and outstanding Common Shares increases. At no time will more than

10% of the outstanding Common Shares be subject to grant under the Stock Option Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares in respect of that expired, exercised or terminated stock option shall again be available for the purpose of the Stock Option Plan. The principal features of the Stock Option Plan are described in more detail below in the section entitled "*Statement of Executive Compensation – Stock Option Plan and other Incentive Plans*".

The Stock Option Plan was last approved and confirmed by the shareholders of the Company at the annual general and special meeting of shareholders held on January 21, 2022. The Stock Option Plan is a "rolling" stock option plan and under Policy 4.4 of the TSX Venture Exchange (the "**TSXV**"), a listed company on the TSXV is required to obtain the approval of its shareholders for a "rolling" stock option plan at each annual meeting of shareholders. Accordingly, shareholders will be asked to approve the following resolution (the "**Stock Option Plan Resolution**"):

"BE IT RESOLVED THAT:

1. the stock option plan of the Company as described in the management information circular dated September 14, 2023 (the "**Stock Option Plan**"), be and it is hereby confirmed and approved."

In order to pass the Stock Option Resolution, at least a majority of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Stock Option Resolution.

The Board recommends that shareholders vote in favour of the Stock Option Resolution to approve and confirm the Stock Option Plan as set out above.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at January 31, 2023 whose total compensation was more than \$150,000 for the financial year of the Company ended January 31, 2023 (collectively the "**Named Executive Officers**") and for the directors of the Company.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES ⁽¹⁾							
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 (\$)
Aleem Nathawani ⁽²⁾ CEO & Director	2023	\$106,000	nil	nil	nil	nil	\$160,000
	2022	\$60,000	nil	nil	nil	nil	\$60,000
David Kwok ⁽³⁾ CFO & Director	2023	\$72,000	nil	nil	nil	nil	\$72,000
	2022	\$78,000	nil	nil	nil	nil	\$78,000
Scott Hayduk ⁽⁴⁾ Director	2023	nil	nil	nil	nil	nil	nil
	2022	---	---	---	---	---	---
Eric Boehnke ⁽⁵⁾ Director	2023	nil	nil	nil	nil	nil	nil
	2022	---	---	---	---	---	---
Yana Bobrovskaya ⁽⁶⁾ Former Director	2023	\$2,000	nil	nil	nil	nil	\$2,000
	2022	\$24,000	nil	nil	nil	nil	\$24,000

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses. This table includes compensation received by the Named Executive Officers as directors of the Company.
- (2) Aleem Nathawani was appointed as a director and CEO on April 23, 2020.
- (3) David Kwok was appointed as a director and CFO on April 23, 2020.
- (4) Scott Hayduk was appointed as a director on May 24, 2022.
- (5) Eric Boehnke was appointed as a director on June 14, 2022.
- (6) Yana Bobrovskaya was appointed as a director on April 23, 2020. Ms. Bobrovskaya passed away on March 20, 2022.

Stock Options and Other Compensation Securities

No stock options were granted to any of the Named Executive Officers or directors of the Company during the most recently completed financial year of the Company.

None of the Named Executive Officers or directors of the Company exercised any compensation securities during the most recently completed financial year of the Company.

Stock Option Plan and other Incentive Plans

The Company has in place the Stock Option Plan which was last approved by the shareholders of the Company at the annual general and special meeting of the shareholders held on January 21, 2022.

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan. The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons. Stock options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board.

The number of Common Shares which may be reserved for issue under the Stock Option Plan is limited to 10% of the issued and outstanding number of Common Shares as at the date of the grant of stock options. As at the date hereof, 11,956,056 stock options may be reserved for issue pursuant to the Stock Option Plan, 1,700,000 stock options have been issued and 10,256,056 stock options are still available for issue.

Any Common Shares subject to a stock option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares at the time of grant. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding 10 years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of stock options granted under the Stock Option Plan.

The Company has no equity compensation plans other than the Stock Option Plan.

Employment, Consulting and Management Agreements

The Company has in place the following employment, consulting or management agreements between the Company or any subsidiary or affiliate thereof and its Named Executive Officers and directors:

David Kwok

Pursuant to a consulting agreement between the Company and David Kwok (“**Kwok**”), effective as of May 1, 2020, Kwok will provide the services as Chief Financial Officer to the Company for a monthly fee of \$6,000 (the “**Kwok Agreement**”). The Company may terminate the Kwok Agreement at any time for just cause. The Company may also terminate the Kwok Agreement at any time, without cause, provided that: (i) the Company provides Kwok written notice of the Kwok Agreement, specifying the date upon which the Kwok Agreement shall terminate; and (ii) an amount of two (2) months pay (the “**Kwok Termination Payment**”). In the event of a change of control of the Company, Kwok is entitled to six times the Kwok Termination Payment.

Aleem Nathwani

Pursuant to a consulting agreement between the Company and Nathwani Capital Corp, an entity beneficially owned and controlled by Aleem Nathwani (“**Nathwani**”), effective as of May 1, 2020, Nathwani will provide the services as Chief Executive Officer to the Company for a monthly fee of \$3,000 (the “**Nathwani Agreement**”). The Company may terminate the Nathwani Agreement at any time for just cause. The Company may also terminate the Nathwani Agreement at any time, without cause, provided that the Company provides Nathwani written notice of the Nathwani Agreement.

There are no employment agreements in place with any of the directors of the Company.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

The Board, at the recommendation of the Compensation Committee, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

Compensation of Named Executive Officers

Principles of Executive Compensation

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board approves, or recommends for approval, all compensation to be awarded to the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board may direct the Compensation Committee and management to gather information on its behalf and provide initial analysis and commentary. The Board reviews this material along with other information received from any external advisors which may be retained in its deliberations before considering or making decisions. The Board has full discretion to adopt or alter management or Compensation Committee recommendations. The Board also reviews and approves the hiring of executive officers.

Base Salary

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers of the Company is consistent with the administration of salaries for all other employees.

Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. Compensation plans with Named Executive Officers and directors resulting from the termination of employment of such Named Executive Officer or a change of control of the Company are described under "*Employment, Consulting and Management Agreements*".

Other than as otherwise disclosed in this Circular, the Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates.

SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of January 31, 2023:

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 issue under equity compensation plans (#)
Equity compensation plans ⁽¹⁾ approved by securityholders	1,700,000	\$0.10	10,256,056
Equity compensation plans not approved by securityholders	nil	nil	nil
Total	1,700,000	\$0.10	10,256,056

Notes:

- (1) The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of the stock option grant. As at the date of this Circular, 11,956,056 stock options are authorized for issue under the Stock Option Plan, 1,700,000 stock options are outstanding and an additional 10,256,056 Common Shares are reserved for issue and remain available for future issue.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as otherwise disclosed in this Circular, no director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the most recently completed financial year of the Company or in any proposed transaction that has materially affected or will materially affect the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual meeting. The Company is a "venture issuer" for the purposes of NI 52-110.

Audit Committee Charter

The full text of the charter of the Company's Audit Committee is attached hereto as appendix A (the "**Audit Committee Charter**").

Composition of the Audit Committee

The Audit Committee members are currently Aleem Nathwani, Eric Boehnke and Scott Hayduk, each of whom is a director and financially literate. Messrs. Boehnke and Hayduk are each independent in accordance with NI 52-110.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its consolidated financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating consolidated financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's consolidated financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

Aleem Nathwani, Chief Executive Officer, Chairman and Director – Mr. Nathwani has over sixteen years of experience working with and advising startups, from inception through to acquisition or public offering. He was one of the earliest team members at Nutanix (NASDAQ: NTNX, \$6B+ MCAP), pioneers in the hybrid-cloud space, where he played key roles in driving business development. He also held strategic leadership roles within Telus Communications, incubating technology infrastructure and outsourcing deals for large enterprise customers, helping

grow their portfolio to \$100M+. Mr. Nathwani has also held advisor and board positions with a number of public and private companies.

Eric Boehnke, Director – Mr. Boehnke is the chief executive officer and a director of Trenchant Capital Corp., an investment issuer, listed on the Canadian Securities Exchange. He has served as director and on the audit committees of a number of Toronto Stock Exchange- and TSX Venture Exchange-listed companies. Mr. Boehnke holds a bachelor of science from the University of Toronto.

Scott Hayduk, Director – Mr. Hayduk is a Corporate Finance Professional with over 20 years of Investment Banking and Corporate Advisory experience. Mr. Hayduk has worked on several billion dollars of Equity, Debt and M&A transactions, respectively. Mr. Hayduk has served as both Director and Officer of numerous Public and Private companies.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 regarding

***De Minimis* Non-audit Services or on a Regulatory Order Generally**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or
2. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended January 31, 2022 and January 31, 2023:

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended January 31, 2022	\$21,400	\$Nil	\$Nil	\$Nil
Year ended January 31, 2023	\$31,565	\$Nil	\$Nil	\$Nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly consolidated financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

REPORT ON CORPORATE GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company's approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

Board of Directors

The Board is currently composed of four (4) directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the nominees, Mr. Aleem Nathwani and Mr. David Kwok, the Chief Executive Officer and the Chief Financial Officer, respectively, of the Company are considered not to be "independent". The remaining two directors are considered by the Board to be "independent" within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.

Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuers
Aleem Nathwani	Calaveras Resource Corp.
David Kwok	n/a
Eric Boehnke	Trenchant Capital Corp.
Scott Hayduk	n/a

Board Committees

The Audit Committee is the Company's only committee. Members of these committees are appointed annually to hold office until the next annual general meeting of the shareholders of the Company or until their successors are appointed.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business. New Board members are provided with information regarding the functioning of the Board and its committees and full access to management. New Board members are encouraged to, (i) communicate with management, auditors and technical consultants, (ii) keep themselves current with industry trends and developments and changes in legislation with management's assistance, (iii) attend industry related seminars and (iv) visit the Company's operations.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board of directors are reviewed by the entire Board.

Other Board Committees

The Board currently does not have any standing committees other than as set in the section entitled "*Board Committees*" above.

Assessments

Currently the Board has not implemented a formal process for assessing directors.

OTHER MATTERS

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. Shareholders may contact the Company at its office by mail at the address set out below to request copies of: (i) this Circular; and (ii) the Company's consolidated financial statements and the related Management's Discussion and Analysis (the "MD&A") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's consolidated financial statements and MD&A for the financial years of the Company ended January 31, 2022 and January 31, 2023.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Vancouver, BC, on the 14th day of September, 2023.

BY ORDER OF THE BOARD

"David Kwok" (signed)
Chief Financial Officer and Director

APPENDIX A

POWER GROUP PROJECTS CORP.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE

The primary functions of the Audit Committee of **POWER GROUP PROJECTS CORP.** (the “**Company**”) are to fulfill its responsibilities in relation to reviewing the integrity of the Company’s financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company’s compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

2. MEMBERSHIP AND ORGANIZATION

2.1 Composition - Subject to paragraph 2.6, the Audit Committee shall consist of not less than three independent members of the Board. At the invitation of the Audit Committee, members of the Company’s management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.

2.2 Appointment and Removal of Audit Committee Members - Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Company at which the member’s term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.

2.3 Chair - At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.

2.4 Independence - Subject to paragraph 2.6, each member of the Audit Committee shall be an “independent” (as such term is used in National Instrument 52-110 - Audit Committees (“**NI 52-110**”)).

2.5 Financial Literacy - Subject to paragraph 2.6, members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member’s appointment. 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 Company’s financial statements.

2.6 Venture Issuer - For so long as the Company is a “venture issuer” as defined in NI 52-110, it is not required to comply with the provisions of paragraph 2.1 “Composition”, 2.4 “Independence” or 2.4 “Financial Literacy” above. In the event the Company cannot comply with all or a part of these provisions, then the Committee shall be comprised of not less than three members of the Board, a majority of whom are not officers or employees of the Company or a subsidiary of the Company.

3. MEETINGS

3.1 Meetings - The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the President and CEO may call a meeting of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.

3.2 Secretary and Minutes - The Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.

3.3 Quorum - A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.

3.4 Access to Management and Outside Advisors - The Audit Committee shall have unrestricted access to management and employees of the Company, and, from time to time may hold meetings with the external auditor, the CFO or the President and CEO. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Company. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

3.5 Meetings Without Management - The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

4. FUNCTIONS AND RESPONSIBILITIES

The Audit Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by applicable corporate securities laws, the binding requirements of the stock exchanges on which the securities of the Company are listed, and all other applicable laws.

4.1 Financial Reports

(a) **General** - The Audit Committee is responsible for reviewing the integrity of the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The external auditors are responsible for auditing the Company's annual consolidated financial statements and, if requested by the Company, for reviewing the Company's unaudited interim financial statements.

(b) **Review of Annual Financial Reports** - The Audit Committee shall review the annual consolidated audited financial statements of the Company, the external auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with Canadian generally accepted accounting principles, or any other generally accepted accounting principles in which the financial statements of the Company are prepared from time to time, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) **Review of Interim Financial Reports** - The Audit Committee shall review the interim consolidated financial statements of the Company, the external auditors review report thereon, if applicable, and the related MD&A to determine whether they present fairly, in all material respects in accordance with IFRS, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not authorized by the Board, then approve and recommend for Board approval.

(d) **Review Considerations** - In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the external auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the external auditors;
- (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;
- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review results of the Company's whistleblowing program; and
- (x) review any other matters, related to the financial statements, that are brought forward by the external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

4.2 Approval of Other Financial Disclosures - The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing financial results of the Company and any other material financial disclosure, including in Management Information Circulars and Annual Information Forms.

4.3 External Auditors

a) **General** -The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing the Company's financial statements and internal controls over financial reporting.

b) **Appointment and Compensation** - The Audit Committee shall review and, if advisable, select and recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors.

c) **Annual Review Report** - At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality-control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.

d) **Audit Plan** - At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.

e) **Quarterly Review Report** - If the external auditors review the Company's unaudited interim financial statements, then the Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of the Company.

f) **Independence of External Auditors** - At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company, discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors, and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.

g) **Evaluation and Rotation of Lead Partner** - At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.

h) **Pre-Approval of Non-Audit Services** - The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to the Company in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

i) **Hiring Practices** - The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors.

4.4 Internal Controls

(a) **General** - The Audit Committee shall monitor the system of internal control.

(b) **Establishment, Review and Approval** - The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the external auditors: (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions; (ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings; (iii) any material issues raised by any inquiry or investigation by the Company's regulators; (iv) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

4.5 Whistleblowing Procedures - The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Company from employees or others, regarding accounting, internal accounting controls, or auditing matters.

4.6 Succession Planning - In consultation with the Board, the Audit Committee shall review succession plans for the CFO and the Chief Accountant or Controller of the Company. The Audit Committee shall review candidates for the position of CFO of the Company and make recommendations to the Board with respect to the appointment of a CFO.

4.7 Adverse Investments and Transactions - The Audit Committee shall review any investments and transactions that could adversely affect the well-being of the Company.

4.8 Audit Committee Disclosure - The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in the Company's disclosure documents.

4.9 Assessment of Regulatory Compliance - The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.

4.10 Delegation - The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. REPORTING TO THE BOARD

The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board of Directors.