



***ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS  
TO BE HELD  
OCTOBER 27, 2022***

***NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR***

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***September 15, 2022***

**CIELO WASTE SOLUTIONS CORP.**  
**(“Cielo”)**  
605 – 5th Avenue S.W., Suite 1100, Calgary, Alberta

**LETTER FROM CHAIR OF THE BOARD OF DIRECTORS**

**September 15, 2022**

**To Shareholders**

**Notice of Annual General Meeting of the Shareholders**

Dear Shareholders,

I am pleased to be writing to you with details of our Annual General Meeting (“Meeting”), which will be held by teleconference on October 27, 2022 at 10:30 a.m. MT. Full details of the resolutions that will be put to shareholders are set out in the formal Notice of Annual General Meeting and Management Information Circular, which are set out in this document, following this letter.

Amongst the resolutions proposed this year, I would like to draw your attention specifically to the election of the directors for the ensuing year, the proposed nominees being: Ryan Jackson (CEO), Sheila Leggett, the Honourable Peter MacKay, and myself, Larry Schafran (Chair), as well as the outgoing directors. Mr. Don Allan and Ms. Jasdeep K. Dhaliwal will continue their respective terms until the election of the new directors at the Meeting, however they will not be standing for re-election this coming year.

Assuming the election of the 4 proposed nominees at the Meeting, Cielo will again have a board of directors that is majority “independent” (as defined by applicable securities laws), with the CEO representing the sole non-independent director. Both the proposed nominees and outgoing directors feel that this is the best board composition for Cielo at this time, as we continue to improve corporate governance, and move forward with our research and development plans this coming year.

Mr. Allan, Founder of Cielo, will remain Chairman Emeritus of Cielo. Mr. Allan has also agreed to act as an advisor to Cielo. We are grateful to be able to continue to benefit not only from Mr. Allan’s in-depth historical knowledge of Cielo but also from his current knowledge of the industry, as he continues to be dedicated to the goals Cielo has set for itself.

I would like to take this opportunity to thank Mr. Allan, on behalf of the rest of the Board of Directors and the company, for his long-time service to Cielo in his various capacities over the years. His dedication to Cielo has been an inspiration to us. We are also grateful that Mr. Allan has agreed to continue to serve Cielo during his retirement as an advisor, as well as Founder and Chairman Emeritus.

Ms. Dhaliwal and the Board have agreed that, for the sake of corporate governance, it would be appropriate for Ms. Dhaliwal to focus her efforts with Cielo as management since accepting the role of Interim CFO in June 2022 and now having accepted the role of CFO. I'd like to thank Ms. Dhaliwal also, on behalf of the Board of Directors and the company, for her continued service and for her ability to come to Cielo's aid where it has been needed, first as director, then Audit Chair, and now CFO, in each case with tremendous commitment.

Finally, we are very pleased that Ryan Jackson, who had agreed to act as Interim Chief Executive Officer, has also now agreed to remove the "interim" tag and stay on with Cielo as CEO. On behalf of the Board of Directors, we are confident that in the hands of Mr. Jackson and Ms. Dhaliwal, and the support of the Board and Cielo's advisors, including our Chairman Emeritus and Founder, Cielo can focus on its objectives during these coming months to bring us closer to our ultimate goals.

**DATED** at Calgary Alberta, this 15<sup>th</sup> day of September, 2022

(signed) "***Larry Schafran***"

By: Larry Schafran  
Chair of Board of Directors

**CIELO WASTE SOLUTIONS CORP.**  
605 – 5th Avenue S.W., Suite 1100, Calgary, Alberta

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON THURSDAY, OCTOBER 27, 2022**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “Meeting”) of the holders of common shares of **CIELO WASTE SOLUTIONS CORP.** (“Cielo” or the “Company”) will be held on October 27<sup>th</sup>, 2022, at 10:30 a.m. MT (9:30 a.m. PT, 12:30 p.m. ET) **by telephone only by calling in to 1 (888) 892-3255, toll-free**, for the following purposes, as further described in the management information circular of the Company dated September 15, 2022 (the “Circular”):

1. To receive the audited financial statements of the Company for the year ended April 30, 2022, and the report of the auditor on those statements;
2. To set the number of directors at four (4);
3. To elect directors of the Company for the ensuing year;
4. To appoint KPMG LLP, Chartered Accountants, the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor;
5. To consider and, if deemed advisable, to pass with or without variation, an ordinary resolution of the disinterested shareholders of the Company approving the adoption of the amended, 2022 Rolling Stock Option Plan, as more particularly described in the Circular; and
6. To transact such other business as may properly come before the Meeting or any adjournments thereof.

The Circular, which accompanies this notice (the “Notice”) or can be obtained as described below, contains details of the matters to be dealt with at the Meeting. A form of proxy accompanies this Notice. Shareholders are referred to the Circular for more detailed information with respect to matters to be considered at the Meeting and for the full text of the resolutions. **The matters set out above can be located in the sections of the Circular entitled “Business of the Meeting – Annual Matters to be Voted On”.**

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is September 1, 2022 (the “Record Date”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote (as described below), at the Meeting or any adjournments or postponements thereof.

**LOCATION AND FORUM:** **The Meeting will be held by telephone conference by dialing (toll free): 1 (888) 892-3255.** Shareholders will have an equal opportunity to participate at the Meeting by telephone conference regardless of their geographic location. See the section entitled “Voting” below on information regarding voting procedures. The Meeting will not be held in a physical location unless announced by the Company prior to the Meeting.

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE ON THE MATTERS BEFORE THE MEETING BY PROXY AS DESCRIBED BELOW.**

**NOTICE-AND-ACCESS:** The Company is utilizing the notice-and-access mechanism (the “Notice-and-Access Provisions”) that came into effect on February 11, 2013, under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument 51-102 – Continuous Disclosure Obligations, for distribution of Meeting materials to registered and beneficial Shareholders. Shareholders with questions about notice and access can contact Olympia Trust Company by toll free telephone at 1-866-668-8379.

**WEBSITE WHERE MEETING MATERIALS ARE POSTED:** The Notice-and-Access Provisions are a set of rules that allow reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“SEDAR”) and one other website, rather than mailing paper copies of such materials to Shareholders. **Electronic copies of the information circular, financial statements of the Company for the years ended April 30, 2021 and April 30, 2022 (“Financial Statements”) and management’s discussion and analysis of the Company’s results of**

**operations and financial condition for the years ended April 30, 2021 and April 30, 2022 (“MD&A”) may be found on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Company’s website at [www.cielows.com](http://www.cielows.com) under “Investors”. The Company will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some Shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.**

**OBTAINING PAPER COPIES OF MATERIALS:** The Company anticipates that using notice-and-access for delivery to all Shareholders will benefit the Company through a reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. **If you would like to receive a paper copy of the current meeting materials by mail and you haven’t yet so requested, you must submit a request by calling 1-866-668-8379, toll-free.** There is no charge for a copy. A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Company by no later than Ten (10) business days before the date of the Meeting (“Request Deadline”) in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, BC) prior to the time set for the Meeting or any adjournments or postponements thereof (the “Proxy Deadline”). **If you do request the current materials, please note that another Voting Instruction Form/Proxy will not be sent; please retain your current one for voting purposes. No Annual Financial Information is included in this mailing.**

**VOTING:** Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting (as described herein). Unless a ballot is required or demanded, although registered shareholders will be entitled to participate in the meeting, voting at the Meeting will likely be by way of “show of hands” (or the equivalent by phone). If a ballot is demanded or required pursuant to the BCBCA during the Meeting, ballots will be delivered to and collected from registered shareholders by way of email or other electronic means, either during the Meeting or after the Meeting such that that the vote on that particular matter will be adjourned. **AS SUCH, ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE ON THE MATTERS BEFORE THE MEETING BY PROXY.**

**A proxy will not be valid unless it is deposited with the Company’s transfer agent, Olympia Trust Company, (a) by email at [proxy@olympiustrust.com](mailto:proxy@olympiustrust.com), (b) by web voting at <https://css.olympiustrust.com/pxlogin>, (c) by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6, or (d) by facsimile to (403) 668-8307. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:30 a.m. (MT) on October 25, 2022, or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

If you are a non-registered shareholder and received this Notice of Meeting and accompanying Circular and materials through a broker, financial institution, participant, trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an “Intermediary”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary. As set out in the notes to the Proxy, the Proxy is solicited by management, but you may amend it, if you wish, by striking out the names listed on it and inserting in the space provided the name of the person you wish to represent you at the Meeting.

**SHAREHOLDERS ARE REMINDED TO REVIEW THE INFORMATION CIRCULAR BEFORE VOTING.**

**DATED** at Calgary Alberta, this 15<sup>th</sup> day of September, 2022

**CIELO WASTE SOLUTIONS CORP.**

(signed) **“Larry Schafraan”**

By: Larry Schafraan

Chair of Board of Directors

## **CIELO WASTE SOLUTIONS CORP. INFORMATION CIRCULAR**

Cielo Waste Solutions Corp. (the “**Company**” or “**Cielo**”) is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) that came into effect on February 11, 2013 under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”) and National Instrument 51-102 – Continuous Disclosure Obligations (“**NI 51-102**”) for distribution of this Circular to both registered and non-registered (or beneficial) shareholders of the Company (collectively, the “**Shareholders**”). Further information on notice-and-access is contained below under the heading General Information Respecting the Meeting – Notice-and-Access and Shareholders are encouraged to read this information for an explanation of their rights.

### **GENERAL INFORMATION RESPECTING THE MEETING**

#### **Time, Date and Place**

The Meeting will be held by telephone conference. Shareholders will have an equal opportunity to participate at the Meeting by telephone conference regardless of their geographic location. See the section entitled “Voting” below on information regarding voting procedures. The Meeting will not be held in a physical location unless announced by the Company prior to the Meeting.

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE ON THE MATTERS BEFORE THE MEETING BY PROXY AS DESCRIBED BELOW.**

#### **Solicitation of Proxies**

This information circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual general meeting (the “**Meeting**”) of the Shareholders of the Company for the purposes set forth in the Notice of Annual General Meeting of Shareholders (the “**Notice**”). References in this information circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Company by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Company.

The board of directors of the Company (the “**Board**”) has fixed September 1, 2022 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. **Proxies must be returned as follows and a proxy will not be valid unless it is deposited with the Company’s transfer agent, Olympia Trust Company, (a) by email at [proxy@olympiatrust.com](mailto:proxy@olympiatrust.com), (b) by web voting at <https://css.olympiatrust.com/pxlogin>, (c) by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6, or (d) by facsimile to (403) 668-8307. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:30 a.m. (MT) on October 25, 2022 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of September 15, 2022.

## Voting of Proxies

The common shares in the capital stock of the Company (“**Common Shares**”) represented by the form of proxy delivered to registered Shareholders (if same is properly executed and is received at the offices of Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, BC) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below under the heading “Matters to be Acted Upon”. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.

At the time of the printing and filing of the Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

**If you have appointed the Management Proxyholders as your proxyholder, they will, unless you give contrary instructions, vote your shares at the Meeting as follows:**

- ✓ **FOR the setting of the number of directors at Four (4);**
- ✓ **FOR the election of the proposed nominees as directors;**
- ✓ **FOR the appointment of KPMG LLP, Chartered Accountants, as the auditor of Cielo, and to authorize the directors to fix the remuneration to be paid to the auditor;**
- ✓ **FOR the approval of the amended 2022 Rolling Stock Option Plan, as more particularly described in the Circular.**

## Appointment of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Company. A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, BC) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.

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

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder’s attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

## Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

## Voting by Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting, though voting will take occur, unless a ballot is required, by "show of hands" or the equivalent by phone, and as such, registered Shareholders are encouraged to vote prior to the Meeting. Most Shareholders are "**non-registered**" or "**beneficial**" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency, such as Clearing and Depository Services Inc. ("**CDS**"), of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies, via mail or electronically, of the Notice, this information circular in accordance with notice-and-access requirements, the form of proxy and a request card for interim and annual materials (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and the United States. Broadridge typically prepares a machine-readable voting instruction form, mails those voting instruction forms to

Non-Registered Shareholders and asks Non-Registered Shareholders to return the voting instruction forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting; or

- (ii) be given a form of proxy which 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 Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person's name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

Non-Registered Shareholders fall into two categories: those who object to their identity being made known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries. Pursuant to NI 54-101, issuers may obtain and use the NOBO list in connection with any matter relating to the affairs of the issuer, including the distribution of proxy-related materials directly to NOBOs. The Company is not sending Meeting Materials directly to the NOBOs. The Company will use and pay intermediaries and agents, such as Broadridge, to send the Meeting Materials. As more particularly outlined below under the heading "Notice and Access", Meeting Materials will be sent to Non-Registered Shareholders using the Notice-and-Access Provisions.

## Notice and Access

As noted above, the Company is utilizing the Notice-and-Access Provisions that came into effect on February 11, 2013 under NI 54-101 and NI 51-102 for distribution of this Circular to all registered Shareholders and Non-Registered Shareholders.

The Notice-and-Access Provisions are a set of rules that allow reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“SEDAR”) and one other website, rather than mailing paper copies of such materials to Shareholders. **Electronic copies of the information circular, financial statements of the Company for the years ended April 30, 2022 and April 30, 2021 (“Financial Statements”) and management’s discussion and analysis of the Company’s results of operations and financial condition for the years ended April 30, 2022 and April 30, 2021 (“MD&A”) may be found on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) prior to the date of the Meeting and also on the Company’s website at [www.cielows.com](http://www.cielows.com) under “Investors”.** The Company will not use procedures known as “stratification” in relation to the use of Notice-and- Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this information circular to some Shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this information circular. Shareholders are reminded to review this Circular before voting.

Although this Circular, the Financial Statements and the MD&A will be posted electronically on-line as noted above, Shareholders will receive paper copies of a “notice package” via prepaid mail containing the Notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and a supplemental mail list return card for Shareholders to request they be included in the Company’s supplementary mailing list for receipt of the Company’s financial statements for fiscal year ended April 30, 2022.

The Company anticipates that notice-and-access will directly benefit the Company through a reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about notice and access can contact Olympia Trust Company by toll free telephone at 1-866-668-8379.

**If you would like to receive a paper copy of the current meeting materials by mail and you haven’t yet so requested, you must submit a request by calling 1-866-668-8379, toll-free. There is no charge for a copy.** A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Company by no later than Ten (10) business days before the date of the Meeting (“Request Deadline”) in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, BC) prior to the time set for the Meeting or any adjournments or postponements thereof (the “Proxy Deadline”). **If you do request the current materials, please note that another Voting Instruction Form/Proxy will not be sent; please retain your current one for voting purposes.** No Annual Financial Information is included in this mailing.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company has only one class of shares entitled to be voted at the Meeting, namely, an unlimited authorized number of Class A Common Shares without par value. As at September 1, 2022, there were 802,272,768 Class A Common Shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at September 1, 2022 (the "Record Date"). **A proxy will not be valid unless it is deposited with the Company's transfer agent, Olympia Trust Company, (a) by email at [proxy@olympiatrust.com](mailto:proxy@olympiatrust.com), (b) by web voting at <https://css.olympiatrust.com/pxlogin>, (c) by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6, or (d) by facsimile to (403) 668-8307. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:30 a.m. (MT) on October 25, 2022 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting (as described herein). On a show of hands (or the equivalent thereof by telephone), every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each common share of the Company registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the offices of the transfer agent and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, common shares carrying 10% or more of the voting rights attached to all outstanding common shares as at the Record Date.

CDS & Co. is a holding company for shares held in brokerage accounts for Non-Registered Holders. The Company's management does not know who beneficially owns these shares.

## **BUSINESS OF THE MEETING – ANNUAL MATTERS TO BE VOTED ON**

### **Financial Statements**

The audited financial statements of the Company for the years ended April 30, 2022 and 2021 and the corresponding respective MD&A will be available for review on SEDAR prior to the date of the Meeting. Shareholders can request a copy of our future financial statements and MD&A by completing our supplemental request card which accompanies the Notice of Meeting and, if so requested, this Information Circular. Shareholders will not be asked to vote on the financial statements or MD&A.

### **Setting Number of Directors**

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless such director resigns or otherwise vacates office before that time. Under the Company's Articles and pursuant to the *Business Corporations Act* (British Columbia) ("BCBCA"), the number of directors cannot be fewer than three. The Shareholders fixed the number of the directors at the Annual General and Special Meeting of the Company held on October 21, 2021 (the "2021 Meeting") at seven (7), however as five (5) directors were elected at the Meeting, the fixed number of directors was automatically reduced such that, as of the date of the 2021 Meeting, the number of directors was fixed at five (5) for the ensuing year. The BCBCA also allows for the Board to fill vacancies on the board of directors and also appoint additional directors provided the number appointed does not exceed one third of the number of existing directors. As the board of directors was fixed at five (5), another one director was able to be appointed. The following directors resigned or were appointed, as indicated, following the 2021 Meeting and on or before the date of this Circular: Ms. Sheila A. Leggett, an independent director as defined in National Instrument 52-110 ("**NI 52-110**"), s. 1.4, was appointed on December 16, 2021.

At the Meeting, Shareholders will be asked to fix the number of directors at Four (4), as further described, and each as named, in the section entitled "Election of Directors".

The Company's management recommends that Shareholders vote in favour of setting the number of directors at Four (4).

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the setting of the board of directors at Four (4).**

### **Election of Directors**

Management proposes to nominate the persons named under the heading "Nominees for Election" below for election as directors of the Company.

#### *Nominees for Election*

The following information relating to the nominees for directors is based partly on the Company's records and partly on information received by the Company from the nominees. It states the name of each person proposed to be nominated by management for election or re-election as a director, all offices of the Company now held by such person, such person's principal occupation, and the period of time for which such person has been a director of the Company and the number of Common Shares of the Company beneficially owned by such director, directly or indirectly, or over which such person exercises control or direction, as at the date hereof.

While management does not contemplate that the Nominees will be unable to serve as directors, if prior to the Meeting a vacancy occurs in this slate of Nominees for any reason, the management representatives designated in the Proxy solicited in respect of the Meeting shall have the discretionary authority to vote for the election of any other person as director. Proxies received by the directors on which no designation is made will be voted for the Nominees for election as directors or any substitute nominee thereof as may be determined by management, if necessary.

Prior to the Meeting, Cielo formed a Nominating Committee, who recommended the four (4) nominees listed in the chart below for re-election. Mr. Don Allan, Founder and Chair Emeritus of Cielo, and Ms. Jasdeep K. Dhaliwal, who was appointed Interim CFO of the Company in June 2022 and who is now the CFO, will not stand for re-election, providing for improved corporate governance as the Board of Directors will consist of Three (3) independent directors (as defined in NI 52-110) and only one (1) non-independent director.

Name, Municipality of Residence and Position with Company	Present Principal Occupation	Director Since	Shares Owned <sup>(2)</sup>
<b>Larry Schafran</b> <sup>(1) (2)</sup> New York, New York United States <i>Chair of the Board of Directors and Director</i>	Mr. Schafran is a private investor with interests in "disruptive" technologies. He recently co-founded a new oil/gas recovery company (Legacy Oil, Inc.) that "adopts" stranded, orphaned and/or marginal oil/gas wells. Mr. Schafran is New York City-based and recently served on numerous boards, some of which are: as a Director and Audit Committee Chair of VerifyMe Inc. (VRME), which provides individual, document and product authentication and anti-counterfeiting services, and Glasstech Inc. (a manufacturer of furnaces that manufacture automotive glass and glass for solar panels). In addition, he currently serves as a Director of Wright Investors' Service Holdings, Inc. (IWSH), formerly National Patent Development Corp.	September 8, 2021	50,000
<b>Hon. Peter MacKay</b> <sup>(2)</sup> Kings Head, Nova Scotia Canada <i>Director</i>	Hon. Peter MacKay served in the Parliament of Canada for over 18 years as a Member of Parliament and cabinet minister for 10 years, including as Minister of Justice and Attorney General, Minister of National Defense, Minister of Foreign Affairs and the Atlantic Canada Opportunities Agency. Mr. MacKay chaired the Government National Security Committee for almost 10 years and served on numerous other interparliamentary committees. Mr. MacKay is currently working with McInnes Cooper and is also a strategic advisor with Deloitte and works nationally and internationally in areas such as aerospace and defense, procurement, infrastructure, and justice reform.	April 8, 2021	Nil
<b>Sheila A. Leggett</b> <sup>(1) (2)</sup> Calgary, Alberta, Canada <i>Director</i>	Ms. Leggett currently serves on the advisory board for Nutana Power Ltd. and chairs the technical committee responsible for the International Standards Organization's environmental managements systems standards (14000 series). In addition, Ms. Leggett is a Senior Fellow of the C.D. Howe Institute, sitting on the Energy Policy Committee and from 2016 to 2021, served on the inaugural Calgary Regional Ambassador Council for Women Get on Board. Ms. Leggett was on the Storm Resources Ltd. Board from 2018 to December 2021, on the AESO Board from 2017 to 2020, on the Board of TELUS Spark from 2014 to 2020 (Chair from 2018 to 2020), was on the Alberta Environmental Monitoring, Evaluation and Reporting Agency Board from 2014 to 2016 and was an Executive Fellow at the University of Calgary School of Public Policy from 2016 to 2020. Prior thereto, Ms.	December 16, 2021	192,900

	Leggett was a member of the National Energy Board (2006 – 2013) where she served as Vice Chair from 2008 to 2013 and was the COO and Board member with the Natural Resources Conservation Board (2001 – 2006).		
<b>Ryan Jackson</b> <sup>(4)</sup> Medicine Hat, Alberta, Canada <i>CEO, Director</i>	Mr. Jackson is the interim CEO of Cielo. Mr. Jackson is also the managing director for and shareholder of RAMECO Group's portfolio of companies in consulting, commercial real estate, healthcare, leasing, finance, biotech and green technology, a position he has held since April 2000. Mr. Jackson was also a director and CEO of Renewable U Energy Inc. from March 2021 to June 2022.	May 1, 2021	1,200,101

**NOTES:**

- (1) Member of the Audit Committee.
- (2) Member of the Nominating Committee.
- (3) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as at September 15, 2022. This information is not within the knowledge of the management of the Company and has been furnished by the respective individuals or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals and available through the Internet at [www.sedi.ca](http://www.sedi.ca).
- (4) Cielo has entered into joint venture memorandums of understanding with Renewable U Energy Inc. and/or its affiliates ("RUEI"), as previously disclosed. Mr. Jackson is a shareholder of RUEI through a holding corporation, the latter which holds 10% or less of the issued and outstanding shares of RUEI.

Under the provisions of the *Business Corporations Act* (British Columbia) and NI 52-110, the Company is required to have an audit committee comprised of a minimum of three (3) directors, a majority of whom are not executive officers, employees or control persons of the Company (or an affiliate thereof). The three (3) directors comprising the audit committee of the Company are independent as required under section 6 of NI 52-110. See also the section entitled "*Audit Committee*" below.

The Company's management recommends that Shareholders vote in favour of the nominees for election as directors.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the Four (4) nominees as directors of the Company for the ensuing year.**

*Corporate Cease Trade Orders or Bankruptcy*

Save and except as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

As announced in the Company news releases dated August 27, 2021 and September 7, 2021, the Company had voluntarily applied to the British Columbia Securities Commission ("BCSC") to approve a temporary management cease trade order (the "MCTO") under National Policy 12-203 – Management Cease Trade Orders ("NP 12-203") to prohibit trading in securities of the Company by the CEO and the CFO of the Company, both directly and indirectly, as a result of the anticipated and realized delay of the filing of the Company's audited consolidated financial statements and related management's discussion and analysis for the years ended April 30, 2020 and 2021 (the "Annual Filings"). The MCTO was revoked by the BCSC following the filing of the Annual Filings.

Larry Schafran was a director of COPsync, Inc. ("COPsync") from January 2017 to May 2017. On October 4, 2017, COPsync announced that it had filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Louisiana. In a Form 8-K filed on EDGAR dated April 30, 2018, COPsync disclosed that, on the same date, COPsync filed in the Bankruptcy Court its proposed Plan of Liquidation Pursuant to Chapter 11 of the U.S. Bankruptcy Code (the "Plan") and Debtor's Disclosure Statement, and on May 1, 2018, the Court entered an order scheduling a hearing on June 12, 2018, to consider approval of the disclosure statement and establishing June 5, 2018, as the last date for filing objections to the disclosure statement. The Plan was disclosed in the Form 8-K as scheduled to take effect after confirmation of the Plan by the Bankruptcy Court and the satisfaction of conditions precedent to effectiveness of the Plan. Thereafter, the registration of each class of COPsync's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act") was revoked (pursuant to section 12(j) of the Exchange Act) effective July 23, 2018.

Larry Schafran was a director of SulphCo, Inc. ("SulphCo") from March 2011 to September 2011. In a Form 8-K filed by SulphCo dated September 16, 2011, SulphCo disclosed that on September 16, 2011, it had filed for bankruptcy protection under the provisions of Chapter 7 of the United States Bankruptcy Code (the "Bankruptcy Filing") in the United States Bankruptcy Court for the Southern District of Texas - Houston Division (for the purposes of this paragraph, (for the purposes of this paragraph, the "Bankruptcy Court"). Effective as of the date of the Bankruptcy Filing, the Bankruptcy Court assumed jurisdiction and control of SulphCo. The Form 8-K disclosed that the Bankruptcy Court would name a receiver, trust, fiscal agent or similar officer at a later date and that the assets of SulphCo would be liquidated in accordance with federal bankruptcy code.

### *Penalties or Sanctions*

As at the date of this Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

### *Personal Bankruptcy*

As of the date of this Circular, no proposed nominee for election as a director of the Company has, within the ten 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 the proposed director.

### *Conflicts of Interest*

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a Conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as set out below, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of those other companies.

Certain of the directors of the Company also serve as directors and/or officers and/or controlling shareholders of other companies. Consequently, there exists the possibility for such directors and/or officers to be in a position of conflict. For example:

1. During the fiscal year ended April 30, 2022, Don Allan was the president, CEO and director of 1888711 Alberta Inc. ("1888 Inc."), until his resignation from the positions of president, CEO and director of 1888 Inc. on November 10, 2021. See section entitled "Interest of Informed Persons in Material Transactions" for additional details.
2. Ryan Jackson was a director, officer and a shareholder of Renewable U Energy Inc. ("RUEI") and/or its affiliates, which is a company or group of companies with which the Company has entered into memorandums of understanding, as previously disclosed. Mr. Jackson resigned from his positions as director and officer on or about June 12, 2022 and remains a beneficial shareholder, indirectly through a holding company that owns 10% or less of the issued and outstanding shares of RUEI.

Any decision made by directors or officers in such positions involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

### **Appointment of Auditors**

Shareholders will be asked to appoint KPMG LLP, Chartered Accountants, as the auditor for the Company for the ensuing year. KPMG LLP was first appointed by the board of directors on May 31, 2021, and subsequently approved by the shareholders of the Company and the Company's shareholder meeting held on October 21, 2021.

The Board recommends that you vote FOR the appointment of KPMG LLP, Chartered Accountants, as the Company's auditor and authorize the Company's board of directors to fix the auditor's remuneration.

**Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of KPMG LLP, Chartered Accountants, as the Company's auditor until the close of the next annual meeting of shareholders and to authorize the Company's board of directors to fix the remuneration of the auditor.**

### **Approval of Amended 2022 Rolling Stock Option Plan**

At the Meeting, the Shareholders will be asked to approve the Company's amended "rolling" stock option plan (the "2022 Rolling Stock Option Plan"), subject to the approval of the TSX Venture Exchange (the "Exchange").

Pursuant to the 2022 Rolling Stock Option Plan, the Company will continue to be entitled to grant stock options (the "Options"). The Company also has a fixed non-option plan (the "Fixed Non-Option Plan"), pursuant to which the Company is entitled to grant restricted share units ("RSUs"), Performance Share Units ("PSUs"), deferred share units

(“DSUs”) and share appreciation rights (“SARs”, together with the RSUs, PSUs and DSUs, each an “Award”, collectively the “Awards”).

At its annual general and special meeting of the Company’s shareholders held on October 21, 2021, the Company sought and obtained the approval of the disinterested shareholders of the Company for the adoption of a rolling stock option plan (the “2021 Rolling Stock Option Plan”) as well as the Fixed Non-Option Plan, each of which was approved by the Exchange at the time of the listing of the Company’s securities on the Exchange on June 24, 2021 subject to the Company obtaining disinterested shareholder approval (which was thereafter obtained).

Policy 4.4 of the Exchange (“Policy 4.4”) and the terms of the 2021 Rolling Stock Option Plan require that the Company seek shareholder approval for a rolling stock option plan on an annual basis (but not a fixed plan such as the Fixed Non-Option Plan). In addition, pursuant to Policy 4.4, disinterested shareholder approval (“Disinterested Shareholder Approval”) is required in the event that, *inter alia*, the aggregate number of common shares of the Company reserved for issuance under stock options (or other incentive securities such as the Awards) granted to Insiders (as defined under TSX-V policies) exceeds Ten Percent (10%) of the issued and outstanding shares of the Company at any point in time. Policy 4.4 requires that in a case such as this, in which the Insiders may be entitled to receive more than Ten Percent (10%) of the issued and outstanding common shares pursuant to the grant of Options or Awards (under both the 2022 Rolling Stock Option Plan and the Fixed Non-Option Plan [collectively the “Incentive Plans”] in aggregate), the Company must obtain approval by a majority of the votes cast by all shareholders at the Meeting excluding votes attaching to shares beneficially owned by: (i) Insiders to whom options may be granted under the Incentive Plans; and (ii) Associates of such Insiders (each as defined in Exchange Policy 1.1) (the “Insider Participants”). The Company is required to obtain Disinterested Shareholder Approval as a result. As at the date of this Circular, there are 25,329,893 common shares of the Corporation beneficially owned by the Insider Participants (the “Excluded Shares”), representing 3.1% of the issued and outstanding common shares of the Company as at the date of this Circular.

In addition, in November 2021, the Exchange amended Policy 4.4, including allowing for Net Exercise and Cashless Exercise (as defined below). Following the amendments to Policy 4.4, the Company has opted to make certain amendments to the 2021 Rolling Stock Option Plan (now the 2022 Rolling Stock Option Plan), primarily to bring it in line with the Policy and in particular to allow for Net Exercise and Cashless Exercise. Prior to the implementation of the amendments to Policy 4.4, options were required to be exercised by the payment of cash in full. Under the 2022 Rolling Stock Option Plan, holders of options (other than investor relations service providers) will be entitled to exercise options by paying cash in full, as was previously required, or holders may exercise options: a) through an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to the exercise the options, following which the brokerage firm will sell a sufficient number of common shares to allow the holder to repay the loan, retaining the balance of the underlying shares (“Cashless Exercise”); or b) without payment to the Company, and instead receiving only the number of underlying common shares that is calculated by dividing (i) the number of the options being exercised by the VWAP of the common shares, by (ii) the VWAP of the common shares (VWAP being the volume weighted average trading price of the Company’s common shares on the previous Five (5) trading days (“Net Exercise”).

Certain additional amendments have been made to bring the 2022 Rolling Stock Option Plan in line with Policy 4.4. The 2022 Rolling Stock Option Plan is still a rolling 10% stock option plan and the number of common shares to be reserved for issuance under the 2022 Rolling Stock Option Plan has not and will not increase as a result of these amendments.

The purposes of the 2022 Rolling Stock Option Plan (as well as the Fixed Non-Option Plan) are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants with that of other shareholders of the Company generally, and (iii)

enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of securities as long-term investments.

If Shareholders approve the amended 2022 Rolling Stock Option Plan, which is a “rolling” plan, at all times 10% of the issued and outstanding common shares of the Company will be reserved for issuance pursuant to the Options granted under the 2022 Rolling Stock Option Plan (less the number of stock options existing under the 2021 Rolling Stock Option Plan and the Predecessor Plan). As at the date of this Circular, there are 829,256,894 common shares issued and outstanding, which would allow for and result in a maximum grant 82,925,689 stock options available for grant (less issued and outstanding options). As at the date of this Circular, 15,916,669 stock options are issued and outstanding under the 2021 Rolling Stock Option Plan together with the Company’s stock option plan prior to the 2021 Rolling Stock Option Plan (the “Predecessor Plan”), 9,741,738 of which have vested.

25,807,096 common shares of the Company are also reserved for issuance pursuant to the Awards granted under the Fixed Non-Option Plan.

Stock options that were issued prior to the adoption of the 2021 Rolling Stock Option Plan are and will continue to be subject to the Predecessor Plan. Stock options that were issued prior to the adoption of the 2022 Rolling Stock Option Plan are and will continue to be subject to the 2021 Rolling Stock Option Plan.

The Company will be required to seek Disinterested Shareholder Approval for the 2022 Rolling Stock Option Plan each year hereafter so long as Insiders may be entitled to receive Options or Awards representing more than Ten Percent (10%) of the issued and outstanding common shares of the Company at any time. Otherwise, the Company will be required to seek approval of the majority of shareholders, including Insider Participants, for the 2022 Rolling Stock Option Plan each year.

The 2022 Stock Option Plan is subject to the approval of the Exchange.

### *Description of the 2022 “Rolling” Stock Option Plan*

The following is a summary of the material terms of the 2022 Rolling Stock Option Plan which have not changed. A copy of the 2022 Rolling Stock Option Plan will be available for review upon request. Capitalized terms have the meanings ascribed to them in the 2022 Rolling Stock Option Plan.

- 1. Number of Shares Reserved** The aggregate maximum number of common shares (the “Shares”) available for issuance from treasury under the 2022 Rolling Stock Option Plan (including any options (“Option(s)”) granted by the Company prior to the adoption of the 2022 Rolling Stock Option Plan) will not exceed an aggregate of Ten Percent (10%) of the issued and outstanding Shares of the Company at the time of grant. Any Shares subject to an Option which has been granted under the 2022 Rolling Stock Option Plan and which has been exercised, cancelled, repurchased, expired or terminated in accordance with the terms of the 2022 Rolling Stock Option Plan will again be available under the 2022 Rolling Stock Option Plan.
- 2. Eligibility** Any director, executive officer, employee, consultant or management company employee and their permitted assigns (as those terms are defined by the policies of the Exchange and/or National Instrument 45-106 – Prospectus Exemptions, as amended from time to time) of the Company or any affiliate of the Company are eligible to receive Options (each an “Eligible Person”) subject to the terms of the 2022 Rolling Stock Option Plan and Board approval.
- 3. Committee:** The Board of Directors may administer the 2022 Rolling Stock Option Plan or may delegate the administration, in whole or in part, to the compensation committee (or similar) of the Board of Directors (the “Committee”).

4. **Awards Granted to Individuals:** The maximum number of Shares for which Options may be granted (together with the number of Shares for which Awards under the Fixed Non-Option Plan may be granted) to any one participant (the “Participant”) in any 12-month period shall not exceed 5% of the outstanding Shares, calculated on the date an Option is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the Exchange. The maximum number of Shares for which Options may be granted (together with the number of Shares for which Awards under the Fixed Non-Option Plan may be granted) to any Consultant (as defined by the Exchange) in any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Option is granted to the Consultant. The maximum number of Shares for which Options may be issued to any persons (in the aggregate) retained to provide Investor Relations Activities (as defined in the policies of the Exchange) in any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Award is granted to the Consultant. For the avoidance of doubt, Options will be the only form of stock-based compensation that may be granted to persons retained to provide Investors Relations Activities.
5. **Awards to Insiders.** Provided Disinterested Shareholder Approval is obtained as is being sought at the Meeting, the maximum number of Shares for which Options, together with Awards, may be granted to Insiders (as a group) under the 2022 Rolling Stock Option Plan (as well as the 2021 Rolling Stock Option Plan and the Predecessor Plan), together with the Fixed Non-Option Plan respectively, shall not exceed 14% of the issued and outstanding Shares: (a) at any point in time; and (b) within any 12-month period, in each case being 10% with respect to Options granted pursuant to the 2022 Rolling Stock Option Plan and 4% with respect to Awards granted pursuant to the Fixed Non-Option Plan.
6. **Exercise Price.** The exercise price (the “**Option Price**”) for each grant of an Option under the 2022 Rolling Stock Option Plan shall be determined by the Committee and shall be specified in the Stock Option Agreement. The Option Price for an Option shall not be less than the greater of the following: (a) the FMV of the Shares on the date of grant; and (b) the Discounted Market Price (as defined by the Exchange) on the date immediately prior to the date of grant. “FMV” is defined as a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the Exchange less any discount permitted by the rules or policies of the Exchange
7. **Vesting.** Subject to any provisions of the Option Plan or the applicable stock option agreement (the “Stock Option Agreement”) relating to acceleration of vesting of Options, regulatory requirements and the policies of the Exchange, the Committee shall determine the vesting provisions of each grant of Options at the time. Notwithstanding the foregoing, Options granted to any Consultant or persons (in the aggregate) retained to provide Investor Relations Activities shall vest in stages over a period of not less than 12 months with no more than One Quarter (1/4) of the Options vesting in any three-month period, such that: (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted; (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted; (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.
8. **Exercise of Options.** Options are exercisable as and when and subject to the restrictions and requirements as the Committee may choose, subject to the 2022 Rolling Stock Option Plan. Options shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price. The Option Price upon exercise of any Option shall be payable to the Company in full in cash, certified cheque, bank draft or wire or electronic funds transfer or any other method to deliver readily available funds which is accepted by the Committee. Notwithstanding the foregoing, the Board of Directors may elect to allow the exercise of Options to be completed by way of Cashless Exercise or Net Exercise.

9. **Duration/Term.** Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to a Blackout Period (as defined below), no Option shall be exercisable later than the tenth (10th) anniversary date of its grant.
10. **Blackout Periods.** If the date on which an Option is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10 business day period. A “Blackout Period” is defined as a period of time during which the Participant cannot sell Shares, due to applicable laws or policies of the Company in respect of insider trading.
11. **Agreement.** Each Option grant shall be evidenced by a Stock Option Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.
12. **Amendment.** The Board of Directors may amend the 2022 Rolling Stock Option Plan at any time; however, an amendment may not be made without shareholder approval if shareholder approval is necessary to comply with the policies of the Exchange or other applicable regulatory requirements. Generally, amendments of a “housekeeping” nature or amendments in order to bring the 2022 Rolling Stock Option Plan in compliance with applicable laws or the policies of the Exchange, may be made without the approval of shareholders.
13. **Transferability** The Options are non-assignable and non-transferable.
14. **Termination** If the Stock Option Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply, provided that, notwithstanding the foregoing or anything to the contrary herein, in no event can Options terminate more than one (1) year following the Termination Date (“Termination Date” defined as the date of death in the case of a Participant who dies and in all other cases, the date designated by the Company as the date upon which the Participant ceases to be an Eligible Person):
  - (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:
    - (i) all unvested Options as at the Termination Date shall automatically and immediately vest; and
    - (ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Option Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.
  - (b) Disability: “Disability” is defined in the 2022 Rolling Stock Option Plan as a disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Committee may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Option Plan. For greater clarity, any determination as to whether a Participant ceases to be eligible to be a Participant under the Option Plan as a result of their Disability will in each case be made subject always to any accommodation obligations and any statutory job protections that are imposed under applicable laws. If a Participant ceases to be eligible to be a Participant under the Option Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Option Plan for a period of 90 days after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 90 days

months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

- (c) Retirement: If a Participant retires then the Committee shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Option Plan as a result of their termination for cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
- (e) Termination without Cause or Voluntary Resignation: Subject to foregoing terms related to Termination, if a Participant ceases to be eligible to be a Participant under the 2022 Rolling Stock Option Plan for any reason:
  - (i) all Options that are unvested as at the Termination Date shall automatically and immediately expire and be forfeited on the Termination Date, and
  - (ii) all Options that are vested as at the Termination Date shall continue to be subject to the Option Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

**15. Change of Control** Subject to change as determined by the Committee in accordance with the Plan, if there is a change of control of the Company (the "Change of Control", as further described in the 2022 Rolling Stock Option Plan and as consistent with the usual definition of such term), any Options held by a Participant shall automatically vest following such Change of Control, on the Termination Date, if the Participant is an Employee, officer or a Director and: (i) their employment, or officer or Director position is terminated by the Company or an Affiliate of the Company (except for a termination with cause) within 12 months following the Change of Control; or they resign or retire with good reason within 12 months following the Change of Control, provided that no acceleration of Options shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required.

**16. Approval** As set out above, the Company shall seek re-approval of the 2022 Rolling Stock Option Plan on an annual basis for so long as required by the policies of the Exchange, such re-approval to be disinterested shareholder approval so long as the maximum number of Shares for which Options and Awards may be granted to Insiders (as a group) under the 2022 Rolling Stock Option Plan together with the Fixed Non-Option Plan may exceed Ten Percent (10%) of the issued and outstanding Shares.

### *Resolution – Approval of 2022 Rolling Stock Option Plan*

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, approve the following resolutions:

**“BE IT RESOLVED THAT:**

- a) the amended 2022 Rolling Stock Option Plan, as described in the Circular of the Company dated September 15, 2022, be and is hereby adopted, ratified, confirmed and approved; and
- b) any director or officer of the Corporation is authorized and directed to do all things and to execute and deliver or to cause to be executed and delivered any documents considered to be necessary or desirable, in such director’s or officer’s sole discretion, to give effect to these resolutions.”

In order for the resolution to be passed, approval by the majority of the votes cast by all shareholders, present in person and by proxy at the Meeting, excluding the Excluded Shares held by the Eligible Insiders is required.

**THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY, UNLESS OTHERWISE INSTRUCTED, INTEND TO VOTE IN FAVOUR OF THE RESOLUTION ADOPTING, APPROVING AND RATIFYING THE AMENDED 2022 ROLLING STOCK OPTION PLAN.**

## STATEMENT OF EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Company in connection with their office or employment with the Company is made in accordance with the requirements of *National Instrument 51-102 – Continuous Disclosure Obligations* and *Form 51-102F6V – Statement of Executive Compensation – Venture Issuers*. Disclosure is required to be made in relation to "Named Executive Officers", being those individuals who, at any time during the most recently completed financial year, served as the Chief Executive Officer, Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 (the "Named Executive Officers").

The Company has had six (6) "Named Executive Officers" during the financial year ended April 30, 2022, as set out below:

1. Gregg Gegunde – Chief Executive Officer and Chief Operating Officer as of July 20, 2021 until his resignation effective June 6, 2022.
2. Chris Sabat – Chief Legal Officer and Corporate Secretary as of September 1, 2011 until his resignation effective June 6, 2022.
3. Anna Cheong – Chief Financial Officer as of April 15, 2022 until her resignation effective June 6, 2022, followed by the return to her role as Controller.
4. Stephanie Li – Chief Financial Officer and Corporate Secretary as of May 10, 2021, until her resignation from the position of Corporate Secretary effective September 1, 2021, and her resignation from the position of Chief Financial Officer effective April 14, 2022.
5. Shawn Frenette - Chief Financial Officer as of March 3, 2020 until his resignation effective May 7, 2021.
6. Don Allan – President and Chief Executive Officer until his resignation from the position of Chief Executive Officer effective September 27, 2021 and his resignation from the position of President effective February 1, 2022.

### *Definitions for the purpose of this Information Circular*

The following definitions are applicable to the Company as a venture issuer pursuant to Form 51-102F6V:

**"company"** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

**"compensation securities"** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries

**"external management company"** includes a subsidiary, affiliate or associate of the external management company;

**"NEO" or "named executive officer"** means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

**"plan"** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

**"underlying securities"** means any securities issuable on conversion, exchange or exercise of compensation securities.

Information contained with respect to this Form 51-102F6V is as of April 30, 2022 unless otherwise indicated and all dollar amounts referenced herein are in Canadian Dollars, unless stated otherwise.

## Compensation Discussion and Analysis

The compensation program of the Company is intended to reward executives for implementing, executing and achieving the Company's business plan and objectives, and each individual's own performance. The program is intended to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Company's corporate objectives and increase shareholder value. The Company's goal is to balance this with its current status as a research and development company.

The Company does not have a Compensation as at the date of this Circular. See section entitled "Corporate Governance – Board Committees" for additional details.

The Board reviews on an annual basis the corporate goals and objectives relevant to executive compensation; evaluates each executive officer's performance in light of those goals and objectives and sets the executive officer's compensation level based, in part, on this evaluation. The Board also takes into consideration the Company's overall performance, shareholder returns, and the value of similar incentive awards to executive officers at comparable companies, and the awards given to executive officers in past years. The foregoing factors are also taken into consideration when determining compensation for directors.

The Company engaged Mercer Canada Ltd. ("Mercer") following the year ended April 30, 2021, to review compensation for directors and officers of the Company. Mercer, an independent third-party company, prepared a report (the "Mercer Report"), to identify peer companies and benchmarking for both director and officer compensation. Upon the completion of the review and delivery of the Mercer Report, the Company incorporated the information in the Mercer Report into its board and executive compensation practices and intends to continue to monitor and adjust as required and appropriate for the Company at each stage of its development.

### *Executive Officer Compensation*

Compensation for executives is comprised of: (a) base salary; (b) compensation securities (to date, Options and RSUs as defined in this Circular); (c) group benefits; and (d) company-provided parking and in the case of the President, CEO, CFO and (formerly) CLO, an executive health and wellness spending account.

Compensation securities issued pursuant to the Company's Rolling Stock Option Plan and Fixed Non-Option Plan (as defined in this Circular) are an important part of the Company's long-term incentive strategy for its executive officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Options and RSUs reward overall corporate performance as measured through the price of the Company's shares and enables executives to acquire and maintain an ownership position in the Company.

Management directors are required to abstain from voting in respect of their own compensation thereby providing the independent members of the Board with considerable input as to executive compensation.

### *Director Compensation*

Compensation paid to directors is generally in the form of compensation securities (to date, Options and DSUs, each as defined in the Circular). Compensation securities are an important part of the Company's long-term incentive strategy for its directors, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Options and DSUs reward overall corporate performance as measured through the price of the Company's shares and enables directors to acquire and maintain an ownership position in the Company.

Except as set out below, as the Company is in a research and development stage, it generally does not pay cash compensation to directors in order to preserve cash for its research and development activities and working capital generally, however this may change in the future if deemed appropriate by the directors or a committee of the directors.

Aside from ongoing compensation, as a one-time event, Mel Angeltvedt, Robin Ray, Lionel Robins, Chris Dovbniak and Doug MacKenzie (the "Former Directors") resigned as directors following the year ended April 30, 2021 (Messieurs Angeltvedt, Ray and Robins in May 2021 and Messieurs Dovbniak and MacKenzie in September 2021), the Company resolved to pay compensation equal to \$7,500 per year, prorated, following the year ended April 30, 2021, to the Former Directors for services provided in their respective roles of, and during their terms as, independent directors of the Company.

Certain directors also received compensation for services other than the services of a director, as disclosed herein.

### *Equity Incentive Compensation*

Executive officers of the Company, as well as directors, contractors and employees, are eligible to participate in the Company's equity incentive plans, as amended from time to time. Options or other Awards (as defined in the Circular) are, or are anticipated to be, granted by the Board as a whole (since the dissolution of the Compensation Committee) and the size of the grants is dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which an officer's long-term contribution to the Company will be crucial to its overall long-term success.

The Company adopted the Rolling Stock Option Plan and the Fixed Non-Option Plan in June 2021, both of which were approved by the disinterested shareholders of the Company at its shareholder meeting in October 2021. For a detailed description of the Company's Rolling Stock Plan, see section of the Circular entitled "Business of the Meeting – Annual Matters to be Voted On".

Pursuant to the terms of the Fixed Non-Option Plan, in addition to the Ten Percent (10%) aggregate maximum of Shares available for issuance underlying Options at the time of grant, the aggregate maximum number of Shares available for issuance from treasury under the is 25,807,186, being Four Percent (4%) of the issued and outstanding Shares of the Company as at the effective date of the Fixed Non-Option Plan (June 18, 2021). A copy of the Fixed Non-Option Plan, the material terms of which were set out in the Company's information circular for the shareholder meeting held in October 2021, is also available upon request to the Company.

In practice, the Company has to date opted to grant Options and RSUs to executive officers and Options and DSUs to directors.

The Company has no arrangements, standard or otherwise, under which Directors are compensated by the Company for their services in their capacity as Directors, or for committee participation, or involvement in special assignments during the most recently completed financial year or subsequently.

### *Benefits*

To ensure the Company's compensation packages remain competitive with those of its peers, the Named Executive Officers receive certain perquisites, including extended health care, dental and insured benefits, company-provided parking and in the case of the President, CEO, CFO and CLO, an executive health and wellness spending account.

### Summary Compensation Tables

The following disclosure sets out the compensation paid, made payable, awarded, granted, given or otherwise provided to each NEO and director for the financial years ended April 30, 2022 and April 30, 2021.

### *Director and named executive officer compensation, excluding compensation securities*

The following table sets forth the summary information concerning compensation excluding compensation securities earned by the Company's NEOs, and the directors of the Company, during the most recently completed financial years ended April 30, 2022 and April 30, 2021.

Name and Principal Position	Year (period) Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meetings fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
<b>Gregg Gegunde</b> <i>Chief Executive Officer &amp; Chief Operating Officer</i>	2022	296,615	16,615	Nil	4,117	166,667 <sup>(6)</sup>	484,014
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Chris Sabat</b> <i>Chief Legal Officer &amp; Corporate Secretary</i>	2022	241,846	Nil	Nil	14,233	100,000 <sup>(6)</sup>	356,079
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Don Allan</b> <i>President &amp; Chief Executive Officer, Director</i>	2022	423,692	80,000	Nil	12,026	Nil	515,718
	2021	341,691	80,000	Nil	Nil	Nil	421,691
<b>Stephanie Li</b> <i>Chief Financial Officer</i>	2022	320,191	Nil	Nil	32,484	100,000 <sup>(6)</sup>	452,67
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Anna Cheong</b> <i>Chief Financial Officer</i>	2022	8,307	Nil	Nil	Nil	Nil	8,307
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Name and Principal Position	Year (period) Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meetings fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
<b>Shawn Frenette</b> <sup>(1)</sup> <i>Chief Financial Officer</i>	2022	10,001	Nil	Nil	Nil	Nil	10,001
	2021	265,241	Nil	Nil	Nil	Nil	265,241
<b>Larry Schafran</b> <i>Chair of the Board of Directors and Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jasdeep K. Dhaliwal</b> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Hon. Peter MacKay</b> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sheila A. Leggett</b> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Ryan Jackson</b> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Lionel Robins</b> <sup>(5)</sup> <i>Director</i>	2022	108,500	Nil	Nil	Nil	Nil	108,500
	2021	11,077 <sup>(2)</sup> <sup>(3)</sup>	Nil	Nil	Nil	Nil	11,077 <sup>(2)</sup> <sup>(3)</sup>
<b>Chris Dovbniak</b> <sup>(5)</sup> <i>Director</i>	2022	50,199	Nil	Nil	Nil	Nil	50,199
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Mel Angeltvedt</b> <sup>(5)</sup> <i>Director</i>	2022	39,289	Nil	Nil	Nil	Nil	39,289
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Doug MacKenzie</b> <sup>(5)</sup> <i>Director</i>	2022	61,603	Nil	Nil	Nil	Nil	61,603
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Christopher Robin Ray</b> <sup>(5)</sup> <i>Director</i>	2022	57,267	Nil	Nil	Nil	Nil	57,267
	2021	1,860 <sup>(4)</sup>	Nil	Nil	Nil	Nil	1,860 <sup>(4)</sup>

**NOTES:**

- (1) Shawn Frenette provided his respective services to the Company through a company owned and/or controlled by him. Mr. Frenette resigned effective May 7, 2021.
- (2) Cielo has made payments to a corporation of which Mr. Robins is a shareholder, director and officer, however Mr. Robins has advised that he is not entitled to receive any compensation that is paid by Cielo to such corporation.
- (3) Excludes fees paid to a corporation owned and/or controlled by Lionel Robins and of which Mr. Robins is a director and/or officer for marketing services provided to the Company.
- (4) Fees for tax services unrelated to Robin Ray's position as a director of the Company.
- (5) Mel Angeltvedt, Robin Ray, Lionel Robins, Chris Dovbniak and Doug MacKenzie (the "Former Directors") resigned as directors following the year ended April 30, 2021. The Company resolved to pay compensation equal to \$7,500 per year, prorated, following the year ended April

30, 2021, to the Former Directors for services provided in their respective roles of, and during their terms as, independent directors of the Company. Following the year ended April 30, 2021, \$218,735 has been paid or is anticipated to be paid to the Former Directors in aggregate for past services as directors.

- (6) Cash settlement payments made to Gregg Gegunde, Stephanie Li and Chris Sabat following the vesting of 1/3 of RSUs granted the executive officers during the year ended April 30, 2022, at the option of the Company.

### *Stock Options and other compensation securities*

The following table sets forth the summary information concerning compensation securities earned by the Company's NEOs, and the directors of the Company, during the most recently completed financial year ended April 30, 2022.

Name and Principal Position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue of grant	Issue, conversion or exercise of price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Gregg Gegunde</b> <i>Chief Executive Officer &amp; Chief Operating Officer</i>	Stock Options	6,250,000	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026
	RSUs	2,500,000 <sup>(2)</sup>	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2023
<b>Chris Sabat</b> <i>Chief Legal Officer &amp; Corporate Secretary</i>	Stock Options	3,750,000	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026
	RSUs	1,500,000 <sup>(2)</sup>	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2023
<b>Don Allan</b> <i>President &amp; Chief Executive Officer, Director</i>	Stock Options	953,125	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026
	DSUs	350,000	December 31, 2021	\$0.20	\$0.20	\$0.25	N/A
<b>Stephanie Li</b> <i>Chief Financial Officer</i>	Stock Options	3,750,000	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026
	RSUs	1,500,000 <sup>(2)</sup>	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2023
<b>Anna Cheong</b> <i>Chief Financial Officer</i>	Stock Options	750,000	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026

<b>Larry Schafran</b> <i>Chair of the Board of Directors and Director</i>	Stock Options	1,109,375	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026
	DSUs	350,000	December 31, 2021	\$0.20	\$0.20	\$0.25	N/A
<b>Jasdeep K. Dhaliwal</b> <i>Director</i>	Stock Options	1,487,500	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026
	DSUs	350,000	December 31, 2021	\$0.20	\$0.20	\$0.25	N/A
<b>Hon. Peter MacKay</b> <i>Director</i>	Stock Options	1,135,417	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026
	DSUs	350,000	December 31, 2021	\$0.20	\$0.20	\$0.25	N/A
<b>Sheila A. Leggett</b> <i>Director</i>	Stock Options	888,021	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026
	DSUs	350,000	December 31, 2021	\$0.20	\$0.20	\$0.25	N/A
<b>Ryan Jackson</b> <i>Director</i>	Stock Options	1,083,333	December 31, 2021	\$0.20	\$0.20	\$0.25	December 31, 2026
	DSUs	350,000	December 31, 2021	\$0.20	\$0.20	\$0.25	N/A

**NOTES:**

- (1) Some or all of the options were exercised prior to the year ended April 30, 2021.
- (2) 1/3 of the RSUs granted to Gregg Gegunde, Stephanie Li and Chris Sabat vested during the year ended April 30, 2022 vested during the fiscal year and were settled in cash, as indicated in the table setting out cash compensation, excluding compensation securities, at the option of the Company. The remaining 2/3 of the RSUs granted to each of the executive officers expired unvested following their respective resignations following the year ended April 30, 2022.

***Exercise of Compensation Securities by Named Executive Officers and Directors***

NEOs and directors of the Company exercised the following compensation securities during the fiscal year ended April 30, 2022. 1/3 of the RSUs granted during the fiscal year ended April 30, 2022 were settled during the fiscal year via cash settlement. See section entitled “Stock Options and Other Compensation Securities”.

Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price per Security	Date of Exercise	Closing Price per Security on Date of Exercise	Difference Between Exercise Price and Closing Price on Date of Exercise	Total Value on Exercise Date
<b>Gregg Gegunde</b> <i>Chief Executive Officer &amp; Chief Operating Officer</i>	RSUs	833,333	\$0.20	December 31, 2021	\$0.20	Nil	\$166,667

<b>Chris Sabat</b> <i>Chief Legal Officer &amp; Corporate Secretary</i>	RSUs	500,000	\$0.20	December 31, 2021	\$0.20	Nil	\$100,000
<b>Stephanie Li</b> <i>Chief Financial Officer</i>	RSUs	500,000	\$0.20	December 31, 2021	\$0.20	Nil	\$100,000
<b>Shawn Frenette</b> <i>Former Chief Financial Officer</i>	Stock Options	100,000	\$0.10	May 10, 2021	\$0.86	\$0.76	\$86,000
<b>Chris Dovbniak</b> <i>Former Director</i>	Stock Options	345,000	\$0.10	May 13, 2021	\$0.77	\$0.67	\$265,650
<b>Christopher Robin Ray</b> <i>Former Director</i>	Stock Options	200,000	\$0.10	January 17, 2022	\$0.435	\$0.335	\$87,000

### ***Pension Plan Benefits***

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

### ***Management and Employment Agreements - Termination and Change of Control Benefits***

Except as listed below, the Company has not entered into any other compensatory plans, contracts or arrangements with any of its NEOs or directors whereby those NEOs or directors, as applicable, are entitled to receive compensation as a result of the resignation, retirement or any other termination of employment of the NEO with the Company or from a change in control of the Company or a change in the Named Executive Officer's responsibilities following a change in control.

The following is a description of the material terms of each agreement or arrangement under which compensation was provided during the year ended April 30, 2022 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or Named Executive Officer:

Don Allan, President and Chief Executive Officer of the Company until his resignation during the year ended April 30, 2022, entered into an employment agreement with the Company on November 1, 2017. The agreement provided that, in the event that the Company terminated Mr. Allan's employment without cause, or if there was a change of control event, the Company would be required to provide Mr. Allan with a payment equal to four (4) times his then-current annual salary, in addition to any outstanding remuneration owing. In addition, all unvested options and RSUs would vest immediately, and Mr. Allan will continue to be entitled to receive an operating income bonus under the terms of the agreement. Mr. Allan resigned from his position as CEO on September 27, 2021 and his position as President on February 1, 2022. Pursuant to the terms of an amendment to Mr. Allan's agreement effective December 2, 2021, the Company agreed to a retiring allowance by way of salary continuance for a period of 27 months, through to May 2, 2023.

Shawn Frenette provided his services to the Company as a consultant through a corporation owned and/or controlled by the CFO. The corporation was the same corporation through which the corporation had provided the services of the Company's immediately preceding Chief Financial Officer. Cielo had entered into a consulting agreement with the consultant corporation dated October 21, 2016. Pursuant to the terms of the agreement, either party could terminate the agreement upon 30 days notice. The agreement did not provide for termination pay. Mr. Frenette resigned during the year ended April 30, 2021.

The Company entered into an employment agreement with Stephanie Li on May 10, 2021 for the role of Chief Financial Officer. Refer to Table of Compensation Excluding Compensation Securities for total payments made under this agreement. In the event of termination without Cause (as defined in the agreement), the agreement provided the requirement for the Company to pay Ms. Li the greater of: (a) an amount equal to only that minimum notice of termination, or pay in lieu of notice of termination, and any other entitlements required by applicable employment standards legislation as a result of termination of employment; or (b) common law reasonable notice of termination or pay in lieu of such notice (the "Severance Payment"). The agreement also provided for the requirement that, in the event of a Change of Control (as defined in the agreement) and provided that within twelve (12) months of the effective date of such Change in Control Ms. Li's employment is either terminated by the Company without cause, or is terminated by Ms. Li for Good Reason (as defined in the agreement), the Company would be required to pay an amount equal to the Severance Payment to Ms. Li. Ms. Li resigned April 15, 2021.

The Company entered into an employment agreement with Gregg Gegunde on July 20, 2021. Mr. Gegunde was first employed as a Chief Operating Officer, and then also became Chief Executive Officer. Refer to Table of Compensation Excluding Compensation Securities for total payments made under this agreement. In the event of termination without Cause (as defined in the agreement), the agreement provided the requirement for the Company to pay Mr. Gegunde the greater of: (a) an amount equal to only that minimum notice of termination, or pay in lieu of notice of termination, and any other entitlements required by applicable employment standards legislation as a result of termination of employment; or (b) common law reasonable notice of termination or pay in lieu of such notice (the "Severance Payment"). The agreement also provided for the requirement that, in the event of a Change of Control (as defined in the agreement) and provided that within twelve (12) months of the effective date of such Change in Control Mr. Gegunde's employment is either terminated by the Company without cause, or is terminated by Mr. Gegunde for Good Reason (as defined in the agreement), the Company would be required to pay an amount equal to the Severance Payment to Mr. Gegunde. Mr. Gegunde resigned following the year ended April 30, 2022.

The Company entered into an employment agreement with Christopher Sabat on September 1, 2021. Mr. Sabat was first employed as a General Counsel and Corporate Secretary, and then promoted to Chief Legal Officer. Refer to Table of Compensation Excluding Compensation Securities for total payments made under this agreement. In the event of termination without Cause (as defined in the agreement), the agreement provided the requirement for the Company to pay Mr. Sabat the greater of: (a) an amount equal to only that minimum notice of termination, or pay in lieu of notice of termination, and any other entitlements required by applicable employment standards legislation as a result of termination of employment; or (b) common law reasonable notice of termination or pay in lieu of such notice (the "Severance Payment"). The agreement also provided for the requirement that, in the event of a Change of Control (as defined in the agreement) and provided that within twelve (12) months of the effective date of such Change in Control Mr. Sabat's employment is either terminated by the Company without cause, or is terminated by Mr. Sabat for Good Reason (as defined in the agreement), the Company would be required to pay an amount equal to the Severance Payment to Mr. Sabat. Mr. Sabat resigned following the year ended April 30, 2022.

The Company entered into an employment agreement with Anna Cheong on April 18, 2022. Ms. Cheong had previously been employed as a Controller but was promoted to Interim Chief Financial Officer following the resignation of Stephanie Li. Refer to Table of Compensation Excluding Compensation Securities for total payments

made under this agreement. In the event of termination without Cause (as defined in the agreement), the agreement provided the requirement for the Company to pay Ms. Cheong the greater of: (a) an amount equal to only that minimum notice of termination, or pay in lieu of notice of termination, and any other entitlements required by applicable employment standards legislation as a result of termination of employment; or (b) common law reasonable notice of termination or pay in lieu of such notice (the “Severance Payment”). The agreement also provided for the requirement that, in the event of a Change of Control (as defined in the agreement) and provided that within twelve (12) months of the effective date of such Change in Control Ms. Cheong’s employment is either terminated by the Company without cause, or is terminated by Ms. Cheong for Good Reason (as defined in the agreement), the Company would be required to pay an amount equal to the Severance Payment to Ms. Cheong. Ms. Cheong was replaced by Ms. Jasdeep K. Dhaliwal following the year ended April 30, 2022, returning to her Controller position.

The Company entered into an executive contractor agreement with Ryan Jackson effective June 12, 2022 with respect to Mr. Jackson’s role as interim CEO, following the year ended April 30, 2022. No compensation was paid pursuant to this Agreement during the year ended April 30, 2022. The Company may terminate the agreement upon 60 days notice subject to payment of the equivalent of 2 months of fees or for “cause” as defined in the agreement. Mr. Jackson may terminate the agreement upon 60 days notice. Both parties can also mutually agree to terminate the agreement. The agreement was amended and restated on or about September 15, 2022 primarily to remove the “interim” title from the role of CEO.

The Company entered into an executive contractor agreement with Jasdeep K. Dhaliwal effective June 12, 2022 with respect to Ms. Dhaliwal’s role as interim CFO, following the year ended April 30, 2022. No compensation was paid pursuant to this Agreement during the year ended April 30, 2022. The Company may terminate the agreement upon 60 days notice subject to payment of the equivalent of 2 months of fees or for “cause” as defined in the agreement. Ms. Dhaliwal may terminate the agreement upon 60 days notice. Both parties can also mutually agree to terminate the agreement. The agreement was amended and restated on or about September 15, 2022 primarily to remove the “interim” title from the role of CFO.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following information is as of April 30, 2022, the Company’s most recently completed financial year.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	18,016,669 <sup>(1)</sup>	0.20	67,009,020 <sup>(2)</sup> 23,707,096 <sup>(3)</sup>
Equity Compensation plans not approved by securityholders	Nil <sup>(2)(3)</sup>	N/A	Nil
Total:	18,016,669 <sup>(1)</sup>	0.20	67,009,020 <sup>(2)</sup> 23,707,096 <sup>(3)</sup>

**NOTES:**

- (1) Comprised of 2,100,000 DSUs under the Company’s Fixed Non-Option Plan and 15,916,669 Options under the Predecessor Plan and 2021 Rolling Stock Option Plan.
- (2) Options.
- (3) DSUs.

## AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its external auditor as set forth below.

### *The Audit Committee Charter*

The Company’s audit committee is governed by an audit committee charter, which is available for viewing on the Company’s website at [www.cielows.com](http://www.cielows.com).

### *Composition of Audit Committee*

Pursuant to NI 52-110 in 2015, the Company, a venture issuer, is required to have an audit committee consisting of at least three members, with at least two members who are independent (not employees, executive officers or control persons of the Company or any affiliate thereof). The Audit Committee as at September 15, 2022, consists of Sheila A. Leggett (independent), Larry Schafran (independent), Jasdeep K. Dhaliwal (not independent). Following the Meeting, as Ms. Dhaliwal will not be standing for re-election, at least one director will be appointed to the Audit Committee; either Ryan Jackson (not independent) or Peter MacKay (independent).

All Audit Committee members have the ability to read and understand 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 and are therefore considered “financially literate”.

### *Relevant Education and Experience*

All Audit Committee members have experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Name	Determination of Independence
<b>Larry Schafran</b> New York, New York, United States <i>Chair of the Board of Directors and Director</i>	Mr. Schafran is independent as required for venture issuers pursuant to NI 52-110.
<b>Jasdeep K. Dhaliwal</b> Calgary, Alberta, Canada <i>Director</i>	Ms. Dhaliwal is not independent as required for venture issuers pursuant to NI 52-110 as she is also the interim Chief Financial Officer of Cielo. Ms. Dhaliwal was at all times independent during the fiscal year ended April 30, 2022.
<b>Sheila A. Leggett</b> Calgary, Alberta, Canada <i>Director</i>	Ms. Leggett is independent as required for venture issuers pursuant to NI 52-110.

### *Audit Committee Oversight*

Since the commencement of the Company’s most recently completed financial year ended April 30, 2022, the board of directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

### *Reliance on Certain Exemptions*

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### *Pre-Approval Policies and Procedures*

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “*Pre-Approval Policies and Procedures*” of the Audit Committee Charter.

### *External Audit Service Fees (By Category)*

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

The fees billed to the Company to its external auditor for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

<b>Financial Year Ended</b>	<b>Audit / Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
April 30, 2022	\$142,690 <sup>(1)</sup>	\$75,000 <sup>(2)</sup>	53,500
April 30, 2021	\$139,100	\$145,674	Nil

**Notes:**

- (1) Excluding GST.
- (2) Estimated based on amounts approved by Board of Directors.

### *Exemption*

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

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the board of directors of the Company (the “Board”), the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board and management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these 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 continues to evaluate its corporate governance policies and objectives.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) also requires the Company to disclose annually in its Circular certain information concerning its corporate governance practices.

### Board of Directors

#### *Structure and Composition*

The Board was composed of six (6) directors as at the date of this Circular: Larry Schafran, Don Allan, Jasdeep K. Dhaliwal, Peter MacKay, Sheila A. Leggett and Ryan Jackson.

Subject to shareholder approving at the Meeting, the Board will be composed of the foregoing four (4) directors, as Mr. Don Allan and Ms. Jasdeep K. Dhaliwal will not be standing for re-election.

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company as defined in section 1.4 of NI 52-110. During the fiscal year ended April 30, 2022, the majority of the Company’s board of directors was “independent”. Following the year end, upon the engagement of Mr. Jackson as Interim CEO and Ms. Dhaliwal as Interim CFO, the composition of the Board such that 50% of the directors were “independent”. Assuming the proposed nominees are elected by the Shareholders, following the Meeting, a majority of the Company’s board of directors will be “independent” (three of four).

The Company has determined independence as follows:

Name	Independent	Determination of Independence
<b>Larry Schafran</b> New York, New York, United States <i>Chair of the Board of Directors and Director</i>	Yes	Mr. Schafran is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. He is therefore considered independent.
<b>Don Allan</b> Red Deer, Alberta, Canada <i>Director</i>	No	Mr. Allan, as President and CEO of the Company during the year ended April 30, 2022, and now as a former executive officer, is considered “non-independent”.

<b>Jasdeep K. Dhaliwal</b> Calgary, Alberta, Canada <i>Director</i>	No	Ms. Dhaliwal, as Interim CFO and now CFO, is considered “non-independent”. As her appointment to executive officer occurred following the end of the fiscal year, she was considered “independent” during the fiscal year.
<b>Hon. Peter MacKay</b> Kings Head, Nova Scotia, Canada <i>Director</i>	Yes	Hon. Peter MacKay is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. He is therefore considered independent.
<b>Sheila A. Leggett</b> Calgary, Alberta, Canada <i>Director</i>	Yes	Ms. Leggett is an outside director. She is not an officer, nor does she provide services to the Company other than in her role as director. She is therefore considered independent.
<b>Ryan Jackson</b> Calgary, Alberta, Canada <i>Director</i>	No	Mr. Jackson, as Interim CEO and now CEO, is considered “non-independent”. As his appointment to executive officer occurred following the end of the fiscal year, he was considered “independent” during the fiscal year.

### *Mandate of the Board*

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees (see “*Committees of the Board of Directors*” below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable.

In keeping with its overall responsibility for the stewardship of the Company, the Board is also responsible for the integrity of the Company’s internal control and management information systems and for the Company’s policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer and the Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans, and annual operating plans.

The Board has found that the fiduciary duties placed on management by the Company’s governing corporate legislation and common law and the restrictions on an individual director’s participation in decisions of the Board in which the director has an interest under applicable corporate and securities legislation provide the “independent” directors with significant input and leadership in exercising their responsibilities for independent oversight of management. In addition, each member of the Board understands that such director is entitled to seek the advice of an independent expert if such director reasonably considers it warranted under the circumstances and the “independent” directors have the ability to meet independently of management whenever deemed necessary.

## *Directorships*

The directors of the Company are not currently directors or officers of any other reporting issuers.

## *Ethical Business Conduct*

The Board of Directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

The Board adopted a formal written Code of Business Conduct and Ethics effective December 16, 2021, which is available on the Company's website, subject to amendment from time to time.

## *Nomination, Education and Assessment*

The Board had not appointed a nominating committee during the year ended April 30, 2022. These functions were performed by the Board as a whole. Nominees have been generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the executive officers, and proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

Following the year ended April 30, 2022 and prior to the Meeting, the Board approved the formation of a Nominating Committee on September 2, 2022. The Nominating Committee made a recommendation to the Board regarding the proposed nominees to be elected at the Meeting based on all relevant factors, including related to the directors as well as the status of the Company at this time. The mandate of this committee is or will be available on the Company's website.

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

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

## **Committees of the Board of Directors**

### *Audit Committee*

The Board has appointed an audit committee as required under the *Business Corporations Act* (British Columbia) and National Instrument 52-110. The audit committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Company, as well as internal controls to achieve the objectives of safeguarding the Company's assets; reliability of information; and compliance with policies and laws. See section entitled "AUDIT COMMITTEE" for details.

### *Compensation Committee*

The Company previously had a compensation committee (the “Compensation Committee”), which was composed of Messieurs Don Allan, Chris Dovbniak (former director) and Doug MacKenzie (former director) prior to and for a portion of the 2022 fiscal year. During the year ended April 30, 2022, the Compensation Committee was dissolved in lieu of the Board of Directors as a whole overseeing matters of compensation.

See the section entitled “Executive Compensation – Compensation of Named Executive Officers” above for details of the compensation paid to the Company’s Named Executive Officers.

### *Nominating Committee*

The Board formed a nominating committee effective September 2, 2022. The mandate of this committee is or will be available on the Company’s website.

## **OTHER INFORMATION**

### **Indebtedness of Directors and Executive Officers**

Since the beginning of the most recently completed financial year ended April 30, 2022 and as at the date of this Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company for other than “routine indebtedness”, as that term is defined by applicable securities law; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### **Interest of Informed Persons in Material Transactions**

Other than as disclosed below, no proposed nominee for election as a director, and no director or officer of the Company who has served in such capacity since the beginning of the last financial year of the Company, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company’s outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had any interest in any transaction with the Company or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company or is likely to do so.

- During the fiscal year ended April 30, 2022, Don Allan was the President, CEO and director of 1888711 Alberta Inc. (“1888”), until his resignation from the positions of President, CEO and director of 1888 on November 10, 2021. Pursuant to an agreement entered into between Cielo and 1888, dated June 14, 2016, subsequently amended and restated on November 1, 2017, Cielo held an exclusive global license, to complete the development and commercialization of the Technology (as defined below) (the “License Agreement”). 1888 and Cielo agreed to the payment of royalty and refinery fees by Cielo to 1888 in exchange for 1888 providing resources for the development of technology to convert and transform waste to fuel (the “Technology”). On December 3, 2021, Cielo and 1888 executed an agreement pursuant to which Cielo and 1888 agreed that all rights of 1888 to utilize the Technology and receive payment of royalty and refinery fees were terminated. In consideration for terminating the License Agreement and transferring the patents and all related intellectual property to Cielo, Cielo agreed to issue 10,000,000 common shares in the capital of Cielo to 1888. Negotiations on behalf of Cielo were managed by independent members of the Cielo executive team and the terms of the preliminary agreement were approved by Cielo’s Board of Directors. While the License Agreement ceased to be a related party agreement upon Mr. Don Allan’s resignation as president, CEO and director of 1888 Inc. on November 10, 2021, Don Allan did not participate in negotiations and abstained

from voting on the matter when considered by Cielo's Board of Directors, as Don Allan was a beneficial minority shareholder of 1888 as of December 3, 2021.

- Ryan Jackson was a director, officer and shareholder of Renewable U Energy Inc. ("RUEI"), a third-party company or group of companies with which the Company has entered into memorandums of understanding, as previously disclosed. Mr. Jackson resigned as director and officer of RUEI concurrently with his appointment as Interim CEO. He continues to hold shares through a holding corporation of which he has control, which holding corporation has 10% or less of the issued and outstanding shares of RUEI.

### **Interest of Certain Persons in Matters to be Acted on at the Meeting**

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors.

### **Other Matters**

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

### **Other Material Facts**

There are no material facts related to the fiscal years ended April 30, 2022, and April 30, 2021 or up to September 15, 2022, other than as disclosed in this Circular, the Company's Financial Statements or Management's Discussion and Analysis, or otherwise disclosed and available on SEDAR.

### **Additional Information**

The Company's Financial Statements and Management's Discussion and Analysis for the years ended April 30, 2022 and April 30, 2021 are available on the Company's profile at SEDAR at [www.sedar.com](http://www.sedar.com) prior to the date of the Meeting.

### **Board Approval**

The Board of Directors of the Company has approved the contents and the delivery of this Circular to its shareholders.

DATED at Calgary, Alberta, this 15<sup>th</sup> day of September, 2022.

### **BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Larry Schafran*"  
By: Larry Schafran  
Chair of the Board of Directors

