

PROSTAR HOLDINGS INC.
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Grand Junction, Colorado, 815060 United States
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INFORMATION CIRCULAR

(Information provided as at September 8, 2022, except as indicated)

ProStar Holdings Inc. (the "**Company**") is providing this information circular (the "**Information Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the shareholders of the Company (the "**Shareholders**") to be held on October 13, 2022 at 10:00 a.m. (Pacific Time) and at any adjournments and postponements thereof. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

The Company recommends that all shareholders vote their shares by proxy and not attend in person. If the Company decides to make any change, such as to the date or location, or to hold the Meeting solely by remote communication, the Company will announce the change in advance and post details, including instructions on how shareholders can participate, on SEDAR. At this time, the Company does not plan to provide a fully virtual or remote meeting due to cost, administrative and technical requirements.

All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise stated.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.

VOTING BY PROXY

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Common shares of the Company ("**Shares**") represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only registered Shareholders or persons they appoint as their proxies are permitted to vote at the Meeting. Registered Shareholders are holders of the Company whose names appear on the Share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but instead registered in the name of a nominee (a "**Nominee**") such as a brokerage firm through which they purchased the Shares. The Company's Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Company has elected to send the Meeting materials directly to NOBOs. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed

responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. The Company does intend to pay for Nominees to deliver the Meeting Materials to OBOs. As a result, OBOs should expect to receive the Meeting materials.

NOTICE-AND-ACCESS

The Company is not sending the Meeting materials to Shareholders using "notice-and-access", as defined under NI 54-101.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a Shareholder, his or her attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue unlimited Shares without par value, of which 116,861,084 Shares are issued and outstanding as at the record date of September 8, 2022 (the "**Record Date**"). Persons who are registered Shareholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Share held.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. Shareholder approval will be sought to fix the number of directors of the Company at five (5). **In the absence of instructions to the contrary, the enclosed proxy will be voted to set the number of directors of the Company at five (5) and for the nominees herein listed.**

Shareholder approval will be sought to fix the number of directors of the Company at five (5).

The Company has an audit committee (the "**Audit Committee**"). Members of this committee are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Jurisdiction of Residence and Position	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Previous Service as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
Page Tucker <i>Colorado, United States</i> Chief Executive Officer and a Director	Director and CEO of ProStar GeoCorp, Inc. and the Company	Since December 29, 2020 ⁽³⁾	10,173,472
Vasanthan Sivagnanadasan ⁽¹⁾ <i>Colorado, United States</i> Chief Operating Officer and a Director	COO of ProStar GeoCorp, Inc. and the Company Head of Software Development at Colorado University of Boulder	Since December 29, 2020 ⁽³⁾	1,250,000
Paul McKenzie ⁽¹⁾⁽²⁾ <i>British Columbia, Canada</i> Director	CEO and Director of NexOptic Technology Corp Director of DeepMarkit Corp.	Since February 4, 2009 ⁽⁴⁾	1,090,000
Jonathan Richards ⁽²⁾ <i>British Columbia, Canada</i> Chief Financial Officer, Corporate Secretary and a Director	Financial consultant, Chief Financial Officer and Corporate Secretary for private companies and various TSX and TSXV issuers.	Since December 29, 2020 ⁽³⁾	700,000
Herbert McKim ⁽¹⁾⁽²⁾ <i>North Carolina, United States</i> Director	Co-Founder and Director of McKim & Creed, Inc.	Since December 29, 2020 ⁽³⁾	2,852,884

(1) Member of the Audit Committee.

(2) Members of the Compensation Committee.

(3) Appointed director of the Company upon completion of the merger transaction (the “**Merger**”) between the Company ProStar Geocorp, Inc. (“**Former ProStar**”) and Doxa Merger Corp. which constituted the reverse takeover of the Company by Former ProStar pursuant to Policy 5.2 – *Change of Business and Reverse Takeovers* of the TSX Venture Exchange. Following the Merger, the Company took over the business of Former ProStar. Additional information relating to the Merger may be found in the Company’s management information circular filed on SEDAR on November 20, 2020.

(4) Continued on as a director of the Company upon completion of the Merger.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:
 - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Introduction

The following information is provided pursuant to Form 51-102F6V for “venture issuers”, as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* to provide information about the Company’s executive compensation in respect of the financial year ended December 31, 2021. All amounts are in United States Dollars (“USD”) unless otherwise stated.

For the purpose of this Form, a "Named Executive Officer" or "NEO" means (i) each individual who, during any part of the financial year ended December 31, 2021, served as the Company's Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO"), (ii) the Company’s most highly compensated executive officer (other than the CEO and the CFO), as at December 31, 2021 whose total compensation was, individually, more than \$150,000 for that financial year; and (iii) each individual who would have satisfied the criteria in (ii) but for the fact that such individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of such financial year.

For the financial year ending December 31, 2021, the Company had the following Named Executive Officers: Page Tucker, CEO and Jonathan Richards, CFO and Secretary.

Director and NEO Compensation, Excluding Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company, current or former, for the completed financial years ended December 31, 2021 and 2020. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities*” below.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Prerequisites (\$)	Value of All Other Compensation ⁽¹⁾ (\$)	Total Compensation (\$)
Page Tucker ⁽²⁾⁽³⁾ <i>CEO and Director</i>	2021	254,167	50,000	Nil	Nil	Nil	304,167
	2020	1,288	127,690	Nil	Nil	188,452	317,430
Jonathan Richards ⁽²⁾⁽³⁾ <i>CFO, Secretary and Director</i>	2021	92,500 ⁽⁴⁾	25,000	Nil	Nil	Nil	117,500
	2020	635 ⁽⁴⁾	Nil	Nil	Nil	74,389	75,024
Vasanthan Sivagnanadasan ⁽³⁾ <i>COO and Director</i>	2021	262,500	25,000	Nil	Nil	Nil	287,500
	2020	1,717	63,845	Nil	Nil	74,389	139,951
Herbert McKim ⁽³⁾ <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	74,389	74,389
Paul McKenzie <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	74,389	74,389

Notes:

- (1) The value of the option-based awards was determined using the Black-Scholes option-pricing model and the compensation is based on the vesting of such awards.
- (2) Messrs Tucker and Richards receive all their compensation as NEOs of the Company only.
- (3) Compensation for the financial year ended December 31, 2020 reflects compensation paid from December 29 to December 31, 2020 as such individuals were appointed to their respective positions on December 29, 2020 upon completion of the merger transaction between the Company and ProStar Geocorp, Inc. ("**Former ProStar**") and Doxa Merger Corp., which transaction constituted the reverse takeover of the Company by Former ProStar pursuant to Policy 5.2 – *Change of Business and Reverse Takeovers* of the TSX Venture Exchange (the "**TSXV**")
- (4) Represents compensation paid to Red Fern Consulting Ltd., a company controlled by Mr. Richards, See "*External Management Companies*" and "*Employment, Consulting and Management Agreements*" below.

External Management Companies

Other than as described below, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Jonathan Richards controls Red Fern Consulting Ltd. ("**Red Fern**"), a private company which provides accounting and consulting services to public companies. Red Fern currently has an informal arrangement (the "**Red Fern Arrangement**") with the Company whereby Red Fern is reimbursed for bookkeeping, accounting and CFO activities based on the hours required to perform the necessary services. Red Fern currently charges the Company US\$10,000 per month.

Stock Options and Other Compensation Securities

During the financial year ended December 31, 2021, no stock options were granted or issued to Named Executive Officers or Directors by the Company or any of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

During the financial year ended December 31, 2021, none of the Named Executive Officers or Directors exercised any stock options.

Stock Option Plan and Other Incentive Plans

The Company does not grant share-based awards. Directors, officers, employees and consultants are eligible under the company's existing 10% rolling stock option plan (the "**Current Plan**"). Stock option grants are made on the basis of the position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of the Current Plan is to attract and motivate directors, officers and employees of and consultants to the Company and its subsidiaries and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through stock options.

Stock options are granted by either the board of directors of the Company (the "**Board**") or the Compensation Committee. In monitoring or adjusting the option allotments, the Board or the Compensation Committee, as the case may be, takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to Shareholder value and previous option grants. The scale of stock options is generally commensurate

to the appropriate level of base compensation for each level of responsibility. The Board or the Compensation Committee will make these determinations subject to and in accordance with the provisions of the Current Plan.

Under the policies of the TSXV, stock options granted under a "rolling plan" are not required to have a vesting period, although the directors may continue to grant stock options with vesting periods, as the circumstances require. The Current Plan authorizes the Board grant stock options to its directors, officers, employees and consultants on the following terms:

- a) The number of Shares subject to each stock option is determined by the Board, provided that the Current Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12-month period, result in:
 - a. the number of Shares reserved for issuance pursuant to stock options granted to any one person exceeding 5% of the issued Shares;
 - b. the issuance, within a one-year period, to insiders of the Company of a number of Shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; or to all employees (as defined by the policies of the TSXV) who provide investor relations services of a number exceeding 2% of the issued Shares, and all stock options issued to such optionees must vest in stages over a period of not less than 12 months with no more than $\frac{1}{4}$ of the options vesting in any three (3) month period.
- b) The aggregate number of Shares which may be issued pursuant to stock options granted under the Current Plan, may not exceed 10% of the issued and outstanding Shares as at the date of the grant.
- c) The exercise price of a stock option may not be set at less than the closing market price during the trading day immediately preceding the date of grant of the stock option less a maximum discount of 25% if the Company is listed on Tier 2 of the TSXV or without any allowable discount if the Company is listed on Tier 1 of the TSXV or on the Toronto Stock Exchange.
- d) The stock options may be exercisable for a period of up to five years.
- e) The stock options are non-assignable, except in certain circumstances. The stock options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Current Plan or within a period of not more than 90 days (30 days for providers of investor relations services) after ceasing to be an eligible optionee or, if the optionee dies, within one year from the date of the optionee's death.
- f) On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any option becomes exercisable.

Any amendments to the Current Plan must also be approved by the TSXV and, if necessary, by the Shareholders prior to becoming effective.

At the Meeting, the Company will be seeking the approval of a new 10% rolling stock option plan, the full text of which is set out in Schedule "B" herein. see *"Particulars of Matters to be Acted Upon – Approval of Stock Option Plan"* below.

Employment, Consulting and Management Agreements

Except for the Red Fern Arrangement, the Company has not provided compensation to any of its directors or Named Executive Officers during the most recently completed financial year for services performed by a director or Named Executive Officer pursuant to any written agreement. All compensation paid to its directors and Named Executive Officers (which is disclosed above), if any, is and will be paid pursuant to unwritten arrangements that do not provide for any other payments, other than base salary.

Oversight and Description of Director and NEO Compensation

The objective of the Company's compensation strategy is to provide adequate levels of base compensation for its NEOs as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives and ensure compensation is competitive so as to enable the Company to continue to attract talented individuals.

The Compensation Committee, a committee of the Board, is responsible for establishing management compensation. The Board, and the Compensation Committee thereof, do not have a pre-determined, performance-based compensation plan, but rather review the performance of management at the end of each fiscal year. The Compensation Committee, as at the date of this Information Circular, was comprised of the following directors: Paul McKenzie, Jonathan Richards and Herbert McKim. Messrs McKenzie and McKim are independent of the management of the Company.

Compensation being awarded or paid to the Company's directors and NEOs consists primarily of management fees or salary, stock options and bonuses. Payments may be made from time to time to NEOs, or companies they control, for the provision of consulting or management services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers. In addition, the Board and the Compensation Committee may award bonuses, in its sole discretion, to NEOs from time to time.

In assessing the compensation of its directors and NEOs, the Compensation Committee currently does not have in place any formal objectives, criteria or analysis. The Compensation Committee has not established any specific performance criteria or goals to which total compensation or any significant element of total compensation to be paid to any NEO is dependent. NEOs' performance is reviewed in light of the Company's objectives from time to time and such officers' compensation is also compared to that of executive officers of companies of similar size and stage of development in the SaaS industry and other similar industries.

Pension Disclosure

The Company does not currently provide any pension plan benefits for executive officers, directors, or employees.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the date of this Information Circular.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽¹⁾
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	8,615,000	\$0.44	3,069,508
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	8,615,000	\$0.44	3,069,508

Notes:

(1) The Current Plan is authorized to grant up to 11,686,108 stock options as at the date of this Information Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the Record Date, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or ,which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditor.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined in National Instrument 51-102, *Continuous Disclosure*) or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Accountants, of PO Box 10372 Pacific Centre 1270 – 609 Granville Street, Vancouver, British Columbia is the auditor of the Company. Davidson & Company LLP was first appointed as auditor of the Company on December 29, 2020. **Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Davidson & Company LLP as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.**

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the directors or executive officers of the Company.

AUDIT COMMITTEE

The Audit Committee's Charter

The text of the Audit Committee's Charter is attached as Schedule "A" to this Circular.

Composition of the Audit Committee

As at the date of this Information Circular, the following are the members of the Audit Committee:

Paul McKenzie	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Herbert McKim	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Vasanthan Sivagnanadasan	Not independent ⁽¹⁾	Financially literate ⁽¹⁾

(1) As defined by National Instrument 52-110 – *Audit Committees ("NI 52-110")*. For the purposes of NI 52-110, an individual is financially literate if they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Paul McKenzie – Mr. McKenzie brings 25 years of capital and public market experience to his role as Director. Mr. McKenzie is Co-founder and currently the CEO of NexOptic Technology Corp., a company with partner relationships with NVIDIA, Qualcomm and others. Mr. McKenzie has served as a Co-Founder, CEO, CFO, Director and Officer of various Canadian publicly listed companies. He has been integral in raising an excess of US\$100 million for his associated companies.

Herbert McKim – Mr. McKim co-founded engineering firm McKim Creed in 1978 and has acted in various leadership roles including President and COO until 2009. Under Mr. McKim's leadership McKim Creed grew to employ over 500 people in 22 offices through the USA. Mr. McKim has served on various private and start-up Company Boards. Mr. McKim holds a BS in Civil and Structural Engineering, a MCE in Structural Engineering and an MBA from the University of North Carolina.

Vasanthan Sivagnanadasan – Mr. Dasan is responsible for building, managing and leading the product management, software development, development operations, professional services and customer success at ProStar. He will be managing ProStar teams in Grand Junction, Colorado, Raleigh, North Carolina and Vancouver, British Columbia. A veteran of driving technical strategy and execution in cloud computing, Vasanthan (Vasa) joined ProStar from University of Colorado Boulder's Office of Information Technology where he served as head of software development. Prior to that, Mr. Dasan was the VP of Engineering at Symplified, a single sign-on startup acquired by RSA a division of EMC-DELL. Prior to Symplified, Mr. Dasan was the first engineering hire at Wayin, a mobile and web engagement platform founded by Scott McNealy. As CTO, Mr. Dasan built and led the team that developed Wayin's services for iPhone, iPad and Android devices, social media applications including Facebook and Twitter, and Java backend services operating on Amazon Web Services. Mr. Dasan spent more than 15 years of his career at Sun Microsystems. He served a chief technologist for the company's Cloud Computing Practice, and he spent more than a decade as Distinguished Engineer and CTO for Sun's \$5.1 billion SunService division. He joined Sun as a staff engineer for SunSoft and worked on Solaris Operating System. Before Sun, Mr. Dasan held engineering positions at Intergraph and Hewlett Packard. Mr. Dasan holds a BS. in Engineering Physics, a MA in Mathematics and Statistics and a MS in Computer Science from Bowling Green State University, and did his PhD work in Computer Science at Colorado State University. Mr. Dasan served as adjunct faculty at Computer Science and Engineering Management at University of Colorado at Boulder. Mr. Dasan has several patents and publications to his credit including the highly referenced US patent 5,761,662 on personalization of Web, and the Prentice Hall book, Hands-on Intranet.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

Pursuant to the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Company by the Company's external auditor.

External Auditors Service Fees (By Category)

The aggregate fees billed by the Company's external auditor, Davidson & Company LLP, in each of the last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees⁽¹⁾</i>	<i>Audit Related Fees⁽²⁾</i>	<i>Tax Fees⁽³⁾</i>	<i>All Other Fees⁽⁴⁾</i>
Dec 31, 2021	\$121,500	Nil	\$16,550	Nil
Dec 31, 2020	\$12,147	Nil	Nil	Nil

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited Related Fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees" above.
- (3) "Tax Fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of 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 is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making. A summary of the responsibilities and activities and the membership of each of the committees is set out below.

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. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

As of the date of this Information Circular, the Company's Board consists of five (5) directors, two (2) of whom are independent based upon the tests for independence set forth in NI 52-110. Paul McKenzie and Herbert McKim are independent. Page Tucker is not independent as he is the President and Chief Executive Officer of the Company. Jonathan Richards is not independent as he is the Chief Financial Officer and Corporate Secretary of the Company. Vasanthan Sivagnanadasan is not independent as he is the Chief Operating Officer of the Company.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are, however, able to meet at any time without any members of management including the non-independent director being present. Further supervision is performed through the Audit Committee which is composed of a majority of independent directors who meet with the : their responsibilities for independent oversight of management through their majority control of the Board.

Participation of Directors in Other Reporting Issuers

The following table sets out the directors and nominees for director of the Company that are currently directors of other reporting issuers:

Name of Director	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position
Jonathan Richards	Zacatecas Silver Corp.	TSXV	CFO and Director
	Leviathan Gold Ltd.	TSXV	CFO and Director
Paul McKenzie	Deep Markit Corp.	TSXV	Director
	Nexoptic Technology Corp.	TSXV	Director and CEO

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;

2. access to recent, publicly filed documents of the Company;
3. access to management and technical experts and consultants; and
4. access to legal counsel in the event of any questions relating to the Company's compliance and other obligations.

While the Company does not yet have a formal continuing education program, 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; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board has a Corporate Disclosure Policy in place but however, has not adopted a formal Code of Conduct.

The Board, through its meetings with management and other informal discussions with management, encourages a culture of ethical business conduct and believes the Company's high caliber management team promotes a culture of ethical business conduct throughout the Company's operations and is expected to monitor the activities of the Company's employees, consultants and agents in that regard.

It is a requirement of applicable corporate law that directors and senior officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of directors, abstain from discussions and voting in respect to same if the interest is material. These requirements are also contained in the Company's Articles, which are made available to directors and senior officers of the Company.

Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the industry are consulted for possible candidates.

Compensation of Directors and the CEO

The Compensation Committee has the responsibility for determining compensation for the directors and senior management. For further information regarding the how the Company determines compensation for its directors and executive officers, see "*Statement of Executive Compensation – Oversight and Description of Director and NEO Compensation*".

Other Board Committees

The Company does not have any standing committees other than the Company's Audit Committee and Compensation Committee.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees to satisfy itself that the Board, its committees and its directors are performing effectively.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Stock Option Plan

The Board intends to implement a new 10% "rolling" stock option plan (the "**New Stock Option Plan**" or the "**New Plan**"). The New Stock Option Plan incorporates certain requirements of TSXV Policy 4.4 – *Security Based Compensation* ("**Policy 4.4**"), which was amended on November 24, 2021. The information below should be read in conjunction with the New Stock Option Plan. Any definitions or capitalized terms used or referenced below and not otherwise defined therein have the same meaning attributed to them in the New Stock Option Plan which is attached to this Information Circular as Schedule "B" and will be accessible on the Company's SEDAR profile at www.sedar.com.

The purpose of the New Plan is to give to Eligible Persons (as defined herein) additional compensation, the opportunity to participate in the success of the Company by granting to such individuals stock options, exercisable over periods of up to ten (10) years as determined by the Board, to buy shares of the Company at a price not less than the Market Price prevailing on the date the stock option is granted less applicable discount, if any, permitted by the policies of the TSXV and approved by the Board. The general terms and conditions of the New Stock Option Plan are reflected in the disclosure below.

Key Terms	Summary
Administration	The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the New Stock Option Plan, to interpret the New Stock Option Plan, to prescribe, amend and rescind rules and regulations relating to the New Stock Option Plan and to make all other determinations deemed necessary or advisable in respect of the New Stock Option Plan. Except as set forth in certain sections of the New Stock Option Plan and subject to any required prior Exchange approval, the interpretation and construction of any provision of the New Stock Option Plan by the Board shall be final and conclusive. Administration of the New Stock Option Plan shall be the responsibility of the appropriate officers of the Company and all

Key Terms	Summary
Number of Common Shares	<p>costs in respect thereof shall be paid by the Company.</p> <p>The maximum aggregate number of Common Shares that are issuable pursuant to security-based compensation granted or issued under the New Stock Option Plan and all of the Company's other previously established or proposed security-based compensation plans (to which the following limits apply under Exchange policies):</p> <ul style="list-style-type: none">(a) to all Eligible Persons granted a Stock Option pursuant to the New Stock Option Plan and their heirs, executors, and administrators (“Optionees”) as a group (including for greater certainty Insiders (as a group) shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis at any point in time;(b) to Insiders (as a group) in any 12-month period shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis on the date specified in an agreement whereby the Company grants an Optionee a Stock Option (an “Option Agreement”) as the date on which a Stock Option is granted (the “Grant Date”), unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies;(c) to any one Optionee (including, where permitted under applicable policies of the Exchanges, any companies that are wholly owned by such Optionee) in any 12-month period shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies.(d) to any one Consultant (as defined under the policies of the Exchange) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date;(e) to Investor Relations Service Providers (as defined under the policies of the Exchange) (as a group) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date, and Investor Relations Service Providers shall not be eligible to receive any security-based compensation other than Stock Options if the Common Shares are listed on the Exchange at the time of any issuance or grant; and(f) to Eligible Charitable Organizations (as defined under the policies of the Exchange) (as a group) shall not exceed 1% of the total number of issued and outstanding Common Shares on a non-diluted

Key Terms	Summary
Securities	basis on the Grant Date.
Participation	Each Stock Option entitles the holder thereof to purchase one Common Share (subject to adjustment in certain circumstances) at an exercise price determined by the Board.
Stock Option Price	Any directors, officers, Employees (as defined under the policies of the Exchange), Management Company Employees (as defined under the policies of the Exchange), Consultants and Eligible Charitable Organizations (as defined under the policies of the Exchange) of the Company and its subsidiaries (collectively " Eligible Persons ").
Exercise Period	The price per Common Share specified in an Option Agreement, adjusted from time to time, (the " Option Price ") under each Stock Option shall be not less than the Market Price on the Grant Date less the applicable discount permitted under the policies of the Exchanges or, if the Common Shares are not listed on any Exchange, less 25%.
Ceasing to be an Eligible Person	<p>The exercise period of a Stock Option will be the period from and including the Grant Date up to 4:00 p.m. Pacific Time on the expiry date that will be determined by the Board at the time of grant (the "Expiry Date"), provided that the Expiry Date of a Stock Option will be no later than the tenth anniversary of the Grant Date of the Stock Option. In the event that the Expiry Date of a Stock Option falls during, a trading blackout period imposed by the Company (the "Blackout Period"), the Expiry Date of such Stock Option shall automatically be extended to a date which is ten (10) trading days following the end of such Blackout Period (the "Extension Period"), subject to no cease trade order being in place under applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Stock Option within ten (10) trading days following the end of the last imposed Blackout Period.</p> <p>If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:</p> <p>(a) <u>Death or Disability</u></p> <p>If the Optionee ceases to be an Eligible Person, due to his or her death or disability or, in the case of an Optionee that is a company, the death or disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Stock Option then held by the Optionee shall be exercisable to acquire the number of Common Shares, at a particular time, which have been</p>

Key Terms

Summary

reserved for issuance upon the exercise of a Stock Option but which have not been issued, as adjusted from time to time ("**Unissued Option Shares**") that have become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement ("**Vested**") at any time up to but not after the earlier of:

- (i) 365 days after the date of death or disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company (as defined under the policies of the Exchange), the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Stock Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Stock Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of section 5.3(c) of the New Stock Option Plan (in connection with a corporate reorganization) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Stock Options (the "**Subject Options**"), subject to the prior approval of the

Key Terms

Summary

Exchanges, the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to paragraph (a), (b) or (c) above, as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to section (a), (b) or (c) above; and (iv) the date that is one (1) year after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

(e) Eligible Charitable Organizations

If the Optionee ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, the Stock Options then held by that Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days after the date the Optionee ceases to be an Eligible Person.

Notwithstanding the foregoing, the Board may, in its sole discretion if it determines such is in the best interests of the Company and subject to the policies of the Exchanges, extend the early Expiry Date (as set out above in paragraphs (a) to (e)) of any Stock Option held by an Optionee who ceases to be an Eligible Person to a later date within a reasonable period, subject to such period not exceeding 12 months from the date the Optionee ceases to be an Eligible Person.

Vesting

The Board shall determine the terms upon which each Stock Option shall vest at the time of grant, subject to the policies of the Exchanges. Unless otherwise specified by the Board at the time of granting an Stock Option, all Stock Options shall vest and become exercisable in full upon grant, except Stock Options granted to Investor Relations Service Providers, which Stock Options must vest in stages over twelve months with no more than one-quarter of the Stock Options vesting in any three month period.

**Acceleration Events
(Take-Over Bid and
Change of Control)**

If at any time when a Stock Option granted under the New Stock Option Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer and subject to the approval of the Exchanges with respect to Investor Relations Service Providers, declare all Option Shares issuable upon the exercise of Stock Options granted under the New Stock Option Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Stock Options granted under the New Stock Option Plan is accelerated so that all Stock Options

Key Terms	Summary
	<p>will either be exercised or will expire prior to the date upon which Common Shares must be tendered pursuant to the Offer.</p>
	<p>If a Change of Control occurs, all Option Shares subject to each outstanding Stock Option will become Vested, whereupon such Stock Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges with respect to Investor Relations Service Providers or if otherwise necessary.</p>
Amendments	<p>The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders (or disinterested shareholders, if required), Exchanges or any other regulatory body having authority over the Company or the New Stock Option Plan, suspend, terminate or discontinue the New Stock Option Plan at any time, or amend or revise the terms of the New Stock Option Plan or of any Stock Option granted under the New Stock Option Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Stock Option previously granted to an Optionee under the New Stock Option Plan without the consent of that Optionee.</p>
Common Shares Not Acquired	<p>Any Unissued Option Shares not acquired by an Optionee under a Stock Option which has been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised may be made the subject of a further Stock Option pursuant to the provisions of the New Stock Option Plan.</p>
Adjustments	<p>The New Stock Option Plan provides for certain standard adjustments to the Option Price and the number of Unissued Option Shares in the event of a share reorganization, special dividend distribution or corporate reorganization, provided that no adjustment pursuant to a special dividend distribution may occur while the Company is listed on the TSXV. Any applicable adjustment is subject to the prior approval of the Exchange, other than adjustments due to a share subdivision, combination or consolidation.</p>
Rights of Optionees	<p>An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).</p>
Previously Granted Stock Options	<p>Stock Options which are outstanding under pre-existing stock option plan(s) of the Company as of the effective date of the New Stock Option Plan shall continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of the New Stock Option Plan except to the extent that the terms of the New Stock</p>

Key Terms	Summary
	Option Plan are more restrictive than the terms of such pre-existing plan(s) under which such stock options were originally granted, in which case the applicable pre-existing plan(s) shall govern, provided that any stock options granted, issued or amended after November 23, 2021 must comply with TSXV Policy 4.4 - <i>Incentive Stock Options</i> (as at November 24, 2021).

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution (the “**New Stock Option Resolution**”):

“BE IT RESOLVED THAT:

- (a) the proposed 10% long-term incentive plan of the Company, substantially in the form attached to the Information Circular of the Company dated September 8, 2022 (the “**Information Circular**”) as Schedule “B”, be confirmed and approved, and that in connection therewith a maximum of 10% of the issued and outstanding common shares of the Company at the time of each grant be approved for granting as stock options; and
- (b) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

If the New Stock Option Plan Resolution is passed by a simple majority of Shareholder votes cast in person or by proxy at the Meeting, the New Stock Option Plan will take effect following the Meeting. Management recommends that Shareholders vote in favour of the New Stock Option Plan Resolution. **In the absence of instructions to the contrary, the enclosed form of proxy will be voted FOR the New Stock Option Plan Resolution.**

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at (970) 242-4024 to request copies of the Company’s financial statements and MD&A.

Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. 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.

DIRECTORS' APPROVAL

DATED at Vancouver, British Columbia this 8th day of September, 2022.

APPROVED BY THE BOARD OF DIRECTORS

(Signed) "Jonathan Richards"

JONATHAN RICHARDS

Chief Financial Officer, Corporate Secretary
and a Director

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

1.0 Purpose of the Committee

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

2.0 Members of the Committee

2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under National Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under National Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the 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.

3.0 Meeting Requirements

3.1 The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Committee shall constitute a quorum.

4.0 Duties and Responsibilities

The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

(a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;

- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
 - (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
 - (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
 - (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
 - (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
 - (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
 - (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
 - (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
 - (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
 - (k) approve material contracts where the Board of Directors determines that it has a conflict;
 - (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
 - (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
 - (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
 - (o) review and monitor all related party transactions which may be entered into by the Company;
- and

(p) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

5.0 Miscellaneous

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee.

The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

SCHEDULE "B"

STOCK OPTION PLAN

See attached.

PROSTAR HOLDINGS INC.

September 8, 2022

10% ROLLING STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for Directors, Officers, Employees, Management Company Employees, Consultants and Eligible Charitable Organizations (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "Prostar Holdings Inc. Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals Options, exercisable over periods of up to ten (10) years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the Option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Board**" means the Board of Directors of the Company.
- 2.2 "**Change of Control**" means the occurrence of any one or more of the following events:
 - (i) a consolidation, reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;
 - (ii) the sale, exchange or other disposition to a person other than an affiliate of the Company of all, or substantially all of the Company's assets;
 - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
 - (iv) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change; or
 - (v) any person, entity or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right

to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor Company (regardless of whether a meeting has been called to elect directors);

For the purposes of the foregoing, "**Voting Securities**" means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

- 2.3 "**Company**" means Prostar Holdings Inc. and its successors.
- 2.4 "**Consultant**" means a "Consultant" as defined in the TSXV Policies.
- 2.5 "**Consultant Company**" means a "Consultant Company" as defined in the TSXV Policies.
- 2.6 "**Director**" means a "Director" as defined in the TSXV Policies.
- 2.7 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
 - a. being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - b. acting as a director or officer of the Company or its subsidiaries.
- 2.8 "**Eligible Charitable Organization**" means an "Eligible Charitable Organization" as defined in TSXV Policies.
- 2.9 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.10 "**Employee**" means an "Employee" as defined in the TSXV Policies.
- 2.11 "**Exchanges**" means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.12 "**Exchange Hold Period**" means "Exchange Hold Period" as defined in TSXV Policies.
- 2.13 "**Expiry Date**" means the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.14 "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.15 "**Insider**" means an "Insider" as defined in the TSXV Policies.
- 2.16 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSXV Policies.
- 2.17 "**Investor Relations Service Provider**" means "Investor Relations Service Provider" as defined in the TSXV Policies.

- 2.18 **"Joint Actor"** means a person acting "jointly or in concert with" another person as that phrase is interpreted in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.
- 2.19 **"Management Company Employee"** means a "Management Company Employee" as defined in the TSXV Policies.
- 2.20 **"Market Price"** of Shares at any Grant Date means the market price per Share as determined by the Board, provided that if the Company is listed on an Exchange, such price shall not be less than the market price determined in accordance with the rules of such Exchange.
- 2.21 **"Officer"** means an "Officer" as defined in the TSXV Policies.
- 2.22 **"Option"** means an option to purchase Shares granted pursuant to, or governed by, this Plan and any pre-existing stock option plan of the Company.
- 2.23 **"Option Agreement"** means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.24 **"Optionee"** means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.25 **"Option Price"** means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.26 **"Option Shares"** means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.27 **"Plan"** means this Prostar Holdings Inc. Stock Option Plan.
- 2.28 **"Securities Act"** means the Securities Act (British Columbia), R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.29 **"Security Based Compensation"** means "Security Based Compensation" as defined in the TSXV Policies.
- 2.30 **"Shares"** means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.31 **"TSXV Policies"** means the policies included in the TSX Venture Exchange Corporate Finance Manual and **"TSXV Policy"** means any one of them.
- 2.32 **"Unissued Option Shares"** means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.33 **"Vested"** means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. GRANT OF OPTIONS

3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons. Where permitted under applicable policies of the Exchanges, companies that are wholly owned by Eligible Persons may also be issued Options. The Option Price under each Option shall be not less than the Market Price on the Grant Date less the applicable discount permitted under the policies of the Exchanges or, if the Shares are not listed on any Exchange, less 25%. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date, subject to the operation of section 4.1. Options shall not be assignable or transferable by the Optionee.

3.2 Limits on Shares Issuable on Exercise of Options

The maximum aggregate number of Shares that are issuable pursuant to Security Based Compensation granted or issued under the Plan and all of the Company's other previously established or proposed Security Based Compensation plans (to which the following limits apply under Exchange policies):

- (a) to all Optionees as a group (including for greater certainty Insiders (as a group)) shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis at any point in time;
- (b) to Insiders (as a group) in any 12-month period shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies;
- (c) to any one Optionee (including, where permitted under applicable policies of the Exchanges, any companies that are wholly owned by such Optionee) in any 12-month period shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies.
- (d) to any one Consultant in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date;
- (e) to Investor Relations Service Providers (as a group) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, and Investor Relations Service Providers shall not be eligible to receive any Security Based Compensation other than Options if the Shares are listed on the TSX Venture Exchange at the time of any issuance or grant; and
- (f) to Eligible Charitable Organizations (as a group) shall not exceed 1% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date.

3.3 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. In respect of Options granted to Employees, Consultants, Consultant Companies or Management Company Employees, the Company and the Optionee is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan. All Options shall be subject to any applicable resale

restrictions pursuant to applicable securities laws. In addition, Options and Option Shares that are subject to the Exchange Hold Period pursuant to TSXV Policy 1.1 must be legended with the Exchange Hold Period commencing on the Grant Date, and the Option Agreement shall contain any applicable resale restriction or Exchange Hold Period.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to the operation of this section 4 of the Plan with respect to the conditions and acceleration of the vesting of an Option and the acceleration and extension of the Expiry Date of an Option, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. Pacific Time on the Expiry Date and shall not be exercisable thereafter. In the event that the Expiry Date of an Option falls during a trading blackout period imposed by the Company (the "**Blackout Period**"), the Expiry Date of such Option shall automatically be extended to a date which is ten (10) trading days following the end of such Blackout Period (the "**Extension Period**"), subject to no cease trade order being in place under applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) trading days following the end of the last imposed Blackout Period.

4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company a notice specifying the number of Option Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Option Share. Upon notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company or such other method of cash payment as is acceptable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque or other method of cash payment, as the case may be, is not honoured upon presentation in which case the Option shall not have been validly exercised.

4.3 Vesting of Option Shares

The Board, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in Section 3.2 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Investor Relations Service Providers, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period.

4.4 Termination of Employment

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and

(ii) the Expiry Date;

(b) Termination For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of sub-section 5.3(c) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options (the "**Subject Options**"), subject to the prior approval of the Exchanges, the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to sub-section 4.4(a), (b) or (c), as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to sub-section 4.4(a), (b) or (c) hereof; and (iv) the date that is one (1) year after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

(e) Eligible Charitable Organizations

If the Optionee ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, the Options then held by that Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days after the date the Optionee ceases to be an Eligible Person.

Notwithstanding the foregoing, the Board may, in its sole discretion if it determines such is in the best interests of the Company and subject to the policies of the Exchanges, extend the early Expiry Date (as set out above in this section 4.4) of any Option held by an Optionee who ceases to be an Eligible Person to a later date within a reasonable period, subject to such period not exceeding 12 months from the date the Optionee ceases to be an Eligible Person.

For purposes of this section 4.4, the dates of death, Disability, termination, retirement, voluntary resignation, ceasing to be an Eligible Person and incapacity shall be interpreted to be without regard to any period of notice (statutory or otherwise) or whether the Optionee or his or her estate continues thereafter to receive any compensatory payments from the Company or is paid salary by the Company in lieu of notice of termination.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this section 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5 Effect of a Take-Over Bid

If a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchanges with respect to Investor Relations Service Providers) all Option Shares subject to such Offer will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to section 4.3 shall be reinstated. If any Option Shares are returned to the Company under this section 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

4.6 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer and subject to the approval of the Exchanges with respect to Investor Relations Service Providers, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days of notice is required and more than 30 days of notice is not required.

4.7 Compulsory Acquisition or Going Private Transaction

If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares pursuant to Division 6 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Option Shares to which such

Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Option Shares to the take-over bid.

4.8 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges with respect to Investor Relations Service Providers or if otherwise necessary.

4.9 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.10 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised may be made the subject of a further Option pursuant to the provisions of the Plan.

5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

5.1 Share Reorganization

Subject to the prior approval of the Exchanges (other than in the case of a Share subdivision or consolidation), whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection 5.1 (a)(ii).

Any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.1 is subject to compliance with the limits set out in section 3.2 and, if any increase in the

number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.1 would result in any limit set out in section 3.2 being exceeded, then the Company may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the Exchanges), make payment in cash to the Optionee in lieu of increasing the number of Unissued Option Shares in order to properly reflect any diminution in value of the Option Shares as a result of such Share Reorganization.

5.2 Special Distribution

Unless the Company is listed on the TSX Venture Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

Any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.2 is subject to compliance with the limits set out in section 3.2 and, if any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.2 would result in any limit set out in section 3.2 being exceeded, then the Company may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the Exchanges, provided that no adjustment pursuant to the operation of section 5.2 may occur while the Company is listed on the TSX Venture Exchange), make payment in cash to the Optionee in lieu of increasing the number of Unissued Option Shares in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

5.3 Corporate Organization

Subject to the prior approval of the Exchanges, whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the

exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or

- (d) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation,

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he/she would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he/she would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he/she had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board.

5.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of sections 5.1, 5.2 or 5.3 is subject to the prior approval of the Exchanges and any other governmental authority having jurisdiction, provided that no adjustment pursuant to the operation of section 5.2 may occur while the Company is listed on the TSX Venture Exchange. Notwithstanding the foregoing, adjustments pursuant to section 5.1 due to a Share subdivision or consolidation do not require prior approval of the Exchanges.

6. MISCELLANEOUS

6.1 Right to Employment

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

6.2 Necessary Approvals

The Plan shall be effective upon the approval of the Plan by the Board and the Exchange or any regulatory authority having jurisdiction over the securities of the Company and shall be ratified thereafter by the shareholders of the Company by way of an ordinary resolution at the next duly convened meeting of the shareholders of the Company. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price, or any extension of the term, of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. In addition, any amendment to an Option (including any cancellation of an Option and subsequent grant of a new Option to the same Person within one year) that results in a benefit to an Insider of the Company at the time of amendment will be subject to disinterested shareholder approval (as required by the Exchanges). The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the

obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

6.3 Administration of the Plan

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 5.4 and subject to any required prior Exchange approval, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

6.4 Withholding Taxes

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Company determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Company. In such circumstances, the Company may require that the Optionee pay to the Company, in addition to and in the same manner as the exercise price for the Shares, such amount as the Company is obliged to remit to the relevant tax authority in respect of the exercise of the Option. Alternatively, the Company shall have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares acquired upon exercise of any Option, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to an Optionee by the Company, whether or not such amounts are payable under the Plan. For greater certainty, the application of this section 6.4 to any exercise of an Option shall not conflict with the policies of the Exchanges that are in effect at the relevant time and the Company will obtain prior Exchange acceptance and/or shareholder approval of any application of this section 6.4 if required pursuant to such policies.

6.5 Amendments to the Plan

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders (or disinterested shareholders, if required), Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

6.6 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

6.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

6.8 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

6.9 No Assignment or Transfer

No Optionee may assign or transfer any of his or her rights under the Plan or any option granted thereunder. Notwithstanding the foregoing, where permitted under applicable policies of the Exchanges, companies that are wholly owned by Eligible Persons may be issued Options.

6.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

6.11 Previously Granted Options

Stock options which are outstanding under pre-existing stock option plan(s) of the Company as of the effective date of this Plan shall continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of this Plan except to the extent that the terms of this Plan are more restrictive than the terms of such pre-existing plan(s) under which such stock options were originally granted, in which case the applicable pre-existing plan(s) shall govern, provided that any stock options granted, issued or amended after November 23, 2021 must comply with TSXV Policy 4.4 - *Incentive Stock Options (as at November 24, 2021)*.

6.12 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

6.13 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

6.14 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

6.15 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

Approved by the Board of Directors of the Company effective September 8, 2022

Approved by the shareholders of the Company on _____, 2022.

SCHEDULE "A"

PROSTAR HOLDINGS INC.

STOCK OPTION PLAN - OPTION AGREEMENT

[If the Company is listed on the TSXV at the time of the option grant, the following legend is required in respect of: (i) Options with an Option Price at a discount to the Market Price; or (ii) Options granted to directors, officers, promoters of the Company or persons holding securities carrying more than 10% of the voting rights and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Company: *Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●, 20● (being four months and one day after the date of grant).*]

This Option Agreement is entered into between Prostar Holdings Inc. (the "**Company**") and the **OPTIONEE** named below pursuant to the Company Stock Option Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that:

1. on ●, 20● (the "**Grant Date**");
2. ● (the "**Optionee**");
3. was granted the option (the "**Option**") to purchase ● common shares (the "**Option Shares**") of the Company;
4. for the price (the "**Option Price**") of \$● per share;
5. which rights to purchase the Option Shares under the Option may be exercised and will vest on the Grant Date [OR set forth applicable vesting schedule – **NOT LESS THAN QUARTERLY VESTING OVER A MINIMUM OF 1 YEAR FOR INVESTOR RELATIONS SERVICE PROVIDERS**]; and
6. the Option will terminate on ● (the "**Expiry Date**");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

Where the Optionee is resident in or otherwise subject to the securities laws of the United States, the Optionee acknowledges that any Option Shares received by him/her upon exercise of the Option have not been registered under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "**Securities Acts**"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him/her or to assist him/her in complying with any exemption from such registration if he/she should at a later date wish to dispose of the Option Shares. The Optionee acknowledges that the Option Shares shall bear a legend restricting the transferability thereof, such legend to be substantially in the following form:

"The shares represented by this certificate have not been registered or qualified under the United States Securities Act of 1933, as amended or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to U.S. federal or state securities laws, and the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company."

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement (including without limitation all representations set out therein with respect to the Optionee).

Acknowledgement – Personal Information

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ● day of ●, 20 ●.

Signature

PROSTAR HOLDINGS INC.

Print Name

Per: _____
Authorized Signatory

Address

**PROSTAR HOLDINGS INC.
STOCK OPTION PLAN
NOTICE OF EXERCISE OF OPTION**

TO: Prostar Holdings Inc. (the "Company")

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan of the Company (the of the exercise of stock options ("**Options**") to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Option Shares; or
- (b) _____ of the Option Shares,

which are the subject of the Option Agreement attached hereto.

The undersigned tenders herewith payment to "Prostar Holdings Inc." or such other payee as directed by the Company, in an amount equal to the aggregate exercise price of the aforesaid Option Shares and directs the Company to issue the certificate evidencing said Option Shares in the name of the undersigned and mail a copy of that certificate to the undersigned at the following address:

DATED the ____ day of _____, 20____.

Signature of Option Holder