



**MANAGEMENT INFORMATION CIRCULAR**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING  
OF THE SHAREHOLDERS OF**

**FRNT FINANCIAL INC.**

**TO BE HELD ON OCTOBER 25, 2023**

**Dated: September 19, 2023**



**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
to be held on October 25, 2023 at 11:00 a.m. (Toronto time)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of FRNT Financial Inc. (the “**Company**” or “**FRNT**”) will be held at Suite 3200, Bay Adelaide Centre – North Tower 40 Temperance St. Toronto, ON M5H 0B4 Canada, on Wednesday, October 25, 2023 at 11:00 a.m. (Toronto time) to consider resolutions for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial years ended June 30, 2022 and 2021, together with the report of the auditors thereon (the “**Financial Statements**”);
2. to set the number of directors at five (5) members and to elect the directors of the Company for the ensuing year;
3. to re-appoint Baker Tilly WM LLP as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration; and
4. to transact such other business as may properly be put before the Meeting or any adjournment or postponement thereof.

**Shareholders are encouraged to vote by proxy in advance of the Meeting rather than attending in person.**

The management information circular (the “**Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice (the “**Notice**”). Also accompanying this Notice and the Circular is a form of proxy for registered Shareholders or a voting instruction form for non-registered Shareholders. Only Shareholders of record at the close of business on September 19, 2023 will be entitled to receive notice of and to vote at the Meeting. A copy of the Financial Statements are attached to the Company’s final long form prospectus available under the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca).

A registered Shareholder may attend the Meeting in person or may be represented by proxy. Registered Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. As a registered Shareholder, you can choose from two different ways to vote your shares by proxy: (a) by mail or in person delivery in the addressed envelope provided or deposited at the offices of Odyssey Trust Company, Trader’s Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8, on behalf of the Company, so as to arrive not later than 11:00 a.m. (Toronto time) on October 23, 2023, or if the Meeting is adjourned or postponed, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used; or (b) on the internet at <https://login.odysseytrust.com/pxlogin>, unless the Chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently. Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion, and the Chair is under no obligation to accept or reject any late proxy.

If you are a non-registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the voting instruction form in accordance with the instructions provided to you by your broker or intermediary. Failure to do so may result in your shares of the Company not being voted at the Meeting.

DATED at Toronto, Ontario this 19<sup>th</sup> day of September, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
FRNT FINANCIAL INC.**

*“Stéphane Ouellette”*

Chief Executive Officer & Director



**MANAGEMENT INFORMATION CIRCULAR**  
as at September 19, 2023

**MANAGEMENT SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management of **FRNT Financial Inc.** (the “**Company**” OR “**FRNT**”) for use at the Annual General Meeting of the shareholders of the Company (the “**Shareholders**”) to be held on Wednesday, October 25, 2023 at 11:00 a.m. (Toronto time) (the “**Meeting**”) and at any adjournments thereof for the purposes set forth in the enclosed Notice of Annual General Meeting (the “**Notice**”).

The solicitation of proxies will be conducted primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers and regular employees of the Company. The cost of solicitation of proxies will be borne by the Company.

**INTRODUCTION**

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Company for use at the Meeting to be held at Suite 3200, Bay Adelaide Centre – North Tower 40 Temperance St. Toronto, ON M5H 0B4 Canada at 11:00 a.m. (Toronto time), on Wednesday, October 25, 2023 and at any adjournment(s) or postponements(s) thereof for the purposes set forth in the accompanying Notice of Meeting.

**Shareholders are encouraged to vote their common shares in the capital of the Company (the “Common Shares”) in advance of the Meeting via mail, or online.**

If you are a registered Shareholder and wish to have your vote counted, you will be required to complete, date, sign and return the accompanying form of proxy (“**Proxy**”) for use at the Meeting or any adjournment thereof (or vote in one of the other manners described below under the heading “General Proxy Information – Appointment and Revocation of Proxies”).

If you are a non-registered Shareholder and have received this Notice of Meeting and accompanying materials through an Intermediary, please complete and return the voting instructions form (“**Voting Instruction Form**”) provided to you in accordance with the instructions provided therein.

**GENERAL PROXY INFORMATION**

*Solicitation of Proxies*

The solicitation of proxies will be conducted primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers and regular employees of the Company. The cost of solicitation of proxies will be borne by the Company. We have arranged to send Meeting materials directly to registered Shareholders, as well as non-registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We do not intend to pay for Intermediaries to forward the Meeting materials to non-registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

*Appointment and Revocation of Proxies*

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

If you are a registered Shareholder and wish to have your Common Shares voted at the Meeting, you will be required to submit your vote by proxy. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Proxy and returning it to the Company’s transfer agent, Odyssey Trust Company

("Odyssey"), in accordance with the instructions on the Proxy. Alternatively, registered Shareholders may vote their Common Shares via the internet or by mail as per the instructions provided on the Proxy.

**In all cases you should ensure that the Proxy is received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.**

Registered Shareholders electing to submit a Proxy may do so by:

- i. **Internet:** Vote online at <https://login.odysseytrust.com/pxlogin> using the Proxy Control Number found in the enclosed Proxy; or
- ii. **Mail:** Completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Odyssey, by mail or hand delivery at Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

**Only registered Shareholders have the right to revoke a Proxy. Non-registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a non-registered Shareholder, see "Voting by Non-Registered Shareholders" below for further information on how to vote your Common Shares.

#### *Exercise of Discretion by Proxyholder*

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted in accordance with your instructions. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein,
- (iii) any other matter that properly comes before the Meeting, and
- (iv) exercise of discretion of proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy FOR the approval of such matter.** Management is not currently aware of any other matters that could come before the Meeting.

#### *Voting by Non-Registered Shareholders*

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by registered Shareholders.

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

Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a non-registered Shareholder, you should carefully follow the instructions on the Voting Instruction Form received from Odyssey or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The Voting Instruction Form supplied to you will be similar to the Proxy provided to the registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The Voting Instruction Form sent by Odyssey or Broadridge will name the same persons as the Company’s Proxy to represent you at the Meeting. As a non-registered Shareholder, you may not be recognized directly at the Meeting. In order to attend the Meeting or appoint a proxyholder of your own choosing to attend the Meeting, you should insert your own name or the name of the desired representative in the blank space provided in the Voting Instruction Form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as proxyholder for your Intermediary. The completed Voting Instruction Form should be returned in accordance with the instructions on the form.

**If you receive a Voting Instruction Form from Odyssey or Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the Voting Instruction Form must be completed and returned in accordance with its instructions well in advance of the voting deadline in order to have your Common Shares voted at the Meeting.**

#### *Voting by Proxy Generally*

Proxyholders other than the individuals named in the accompanying Proxy will be required to identify themselves by notice in writing to the Company by 11:00 a.m. (Toronto time) on October 23, 2023 so that the Company can confirm their identity prior to the Meeting and facilitate their voting of the Proxies that they hold at the Meeting. Notice may be provided by e-mail to the Company at [investors@frnt.io](mailto:investors@frnt.io). Proxies will not be accepted at the Meeting. All Proxies must be submitted to Odyssey by 11:00 a.m. (Toronto time) on Monday, October 23, 2023.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and as set out herein. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

### **FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the fiscal years ended June 30, 2022 and 2021 (the “**Financial Statements**”), together with the auditor report on those statements and the related Management Discussion and Analysis (“**MD&A**”), will be presented to Shareholders at the Meeting. Receipt at the Meeting of the 2022 and 2021 Financial Statements and MD&A will not constitute approval or disapproval of any matters referred to therein. Copies of the 2022 and 2021 Financial Statements and the related MD&A are attached to the Company’s final long form prospectus available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **VOTING SECURITIES, RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized capital of the Company consists of an unlimited number of Common Shares and Class A Common Shares without par value. As at the Record Date (as defined below), 35,149,329 Common Shares and no Class A Common Shares are issued and outstanding. Each Common Share carries the right to one vote, and all Common Shares may be voted at the Meeting. Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of Shareholders is two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent Shareholder so entitled, holding or representing in the aggregate not less than 25% of the issued and outstanding Common Shares of the Company carrying voting rights at the Meeting.

The record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting has been fixed as September 19, 2023 (the “**Record Date**”). Except as may be otherwise indicated herein and in the Notice,

the affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Circular.

To the best of the Company's knowledge and based on existing information, as of the date hereof, there are no persons who own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding securities of the Company, other than: (a) Stéphane Ouellette (through TTS Capital Corp. which Mr. Ouellette beneficially owns and controls), the Chief Executive Officer of the Company; (b) Adam Rabie (through Alliswell Corporation which Mr. Rabie beneficially owns and controls) and OSF Management which Mr. Rabie owns more than 10% of the outstanding shares; and (c) Coinsquare Ltd. ("**Coinsquare**"). The security holdings of each of the foregoing are as follows:

<b>Name</b>	<b>Ownership (Beneficial/Of Record)</b>	<b>Number and Type of FRNT Shares Owned</b>	<b>% of Class</b>
Stéphane Ouellette	Beneficial	10,808,120 Common Shares	30.75%
Adam Rabie	Beneficial	7,909,869 Common Shares	22.50%
Coinsquare Ltd.	Of Record	4,017,378 Common Shares	11.43%

In connection with the Company's application for listing on the TSXV, Coinsquare provided a voluntary undertaking (the "**Coinsquare Undertaking**") to the TSXV where it has agreed that, for so long as the TSXV is unable to conclude on the Personal Information Form of Mr. Virgile Rostand filed with the TSXV on August 24, 2021, and so long as Coinsquare beneficially owns or controls, directly or indirectly, 10% or more of the outstanding Common Shares on a non-diluted basis, Coinsquare will not vote, or cause to be voted, at any meeting of Shareholders of the Company, Common Shares representing more than 9.9% of the issued and outstanding Common Shares. As a result of the Coinsquare Undertaking, at the meeting of Shareholders of the Company, Coinsquare would not be permitted to vote 502,446 Common Shares representing approximately 1.43% of the Common Shares on a non-diluted basis. These restrictions on Coinsquare will result in the Common Shares held by all other Shareholders in the Company providing for proportionately more voting weight at any meeting of Shareholders of the Company so long as the Coinsquare Undertaking is in effect.

#### **SETTING NUMBER OF DIRECTORS**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at five (5). The number of directors will be approved if the affirmative vote of at least a majority of Common Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at five (5).

In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted FOR setting the number of directors at five (5) for the ensuing year.

#### **ADVANCE NOTICE**

The directors of the Company approved the adoption of the present by-laws for the Company by way of a resolution passed on March 3, 2022, which include advanced notice to the Company in circumstances where a Shareholder wishes to nominate persons for election as directors (the "**Advance Notice Provisions**"). Among other things, the Advance Notice Provisions fixes a deadline by which Shareholders must submit director nominations to the Corporate Secretary of the Company prior to any annual or special meeting of Shareholders and sets forth the specific information that a Shareholder must include in such notice for an effective nomination to occur. Under the Advance Notice Provisions, a Shareholder wishing to nominate a director would be required to provide the Company notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, that if the annual meeting of Shareholders is called for a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for any purpose which includes electing directors, not later than the close of business on the 15<sup>th</sup> day following the date on which the first public announcement of the date of the special meeting of Shareholders was made.

For further information about the Advance Notice Provisions, please see the Company's by-laws dated March 3, 2022, a copy of which is filed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## ELECTION OF DIRECTORS

The board of directors (“**Board**”) of the Company is elected annually and holds office until the next Annual General Meeting of Shareholders or until their successors are elected. The management of the Company proposes to nominate the persons listed below (the “**Proposed Nominees**”) for election as directors of the Company to serve until their successors are elected or appointed.

**In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted FOR the Proposed Nominees set forth in this Circular.**

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE PROPOSED NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT, PRIOR TO THE MEETING, ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES REPRESENTED THEREBY ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

The following table sets out the names of the Proposed Nominees for election as a director, the province or state and country in which ordinarily resident, the period or periods during which each has served as a director, positions held in the Company, their present principal occupations and number of Common Shares of the Company or shares of any of its subsidiaries beneficially owned by each, or controlled or directed, directly or indirectly as at the Record Date.

Name, Positions with the Company, Province/State and Country of Resident	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years <sup>(6)</sup>	Period from which Nominee has been a Director	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
Stéphane Ouellette Director, CEO Ontario, Canada	Chief Executive Officer of FRNT (April 2018 to present); Partner at BigTerminal.com Inc. (May 2018 to September 2019)	April 24, 2018	10,808,120 <sup>(3)</sup>
Adam Rabie <sup>(2)</sup> Director Nassau, Bahamas	Director of OSF Management (December 2019 to present); Chief Executive Officer of BigTerminal.com Inc. (June 2013 to June 2019)	April 1, 2018	7,786,269 <sup>(4)</sup> 123,600 <sup>(5)</sup>
Eric Richmond <sup>(1)(2)</sup> Director Ontario, Canada	President of Coinsquare (January 2018 to present)	June 4, 2020	24,056
Dan Cristall <sup>(1)(2)</sup> Director Alberta, Canada	Chief Executive Officer of Macquarie Capital Markets Canada Ltd. (September 2013 to present)	May 10, 2021	400,000
Geoffrey Browne <sup>(1)</sup> Director Ontario, Canada	Retired (January 2018 to present); Managing Partner of MWI & Partners (September 1996 to December 2018)	September 1, 2021	50,000

**Notes:**

- (1) Member of the Audit Committee (the “**Audit Committee**”) of the Company. Eric Richmond is the chair of the Audit Committee.
- (2) Member of the Compensation Committee (the “**Compensation Committee**”) of the Company. Dan Cristall is the chair of the Compensation Committee.
- (3) These 10,808,120 Common Shares of the Company, approximately 30.75% of the issued and outstanding Common Shares as at the date of this Circular, are owned by TTS Capital Corp., a private company wholly owned by Stéphane Ouellette.
- (4) These 7,786,269 Common Shares of the Company, approximately 22.15% of the issued and outstanding Common Shares as at the date of this Circular, are owned by Alliswell Corporation, a private company wholly owned by Adam Rabie.
- (5) These 123,600 Common Shares of the Company, approximately 0.35% of the issued and outstanding Common Shares as at the date of this Circular, are owned by OSF Management, a private company, of which Adam Rabie owns more than 10% of its outstanding securities.
- (6) Information about principal occupation, business or employment and securities beneficially owned, directly or indirectly, or over which control or direction is exercised, has been furnished by the respective persons set forth above.

## Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as noted below, no proposed director of the Company:

- is, as at the date of the Circular, or has been, within 10 years before the date of the 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
- is, as at the date of this Circular, or has been within 10 years before the date of the 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
- has, within the 10 years before the date of this 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
- 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
- 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.

Geoffrey Browne served as Chairman and Chief Executive Officer of Bunker Hill Mining Corp. (formerly, Liberty Silver Corp.) (“**Bunker Hill**”) from December 2012 to December 2014. On October 5, 2012, Bunker Hill was named in an Order of Suspension of Trading (the “**Order**”) from the US Securities and Exchange Commission (the “**SEC**”). Pursuant to the Order, trading in Bunker Hill’s securities was suspended from October 5, 2012 through to October 18, 2012. Furthermore, effective October 11, 2012, Bunker Hill had its stock quotation under the symbol “**LBSV**” removed from the OTC Bulletin Board (the “**OTCBB**”) as it became ineligible for quotation on OTCBB due to quoting inactivity under SEC Rule 15c2-11. On October 12, 2012, the Ontario Securities Commission (the “**OSC**”) issued a cease trade order which provided that trading in the securities of Bunker Hill (excepting issuances from treasury) on the Toronto Stock Exchange cease until 11:59 p.m. EST on October 18, 2012 (the “**OSC Order**”). The OSC Order was effective for the same time frame as the Order of Suspension of Trading imposed by the SEC. On October 19, 2012, the cease trade orders imposed by the SEC and the OSC expired. Trading in the common shares of Bunker Hill on the Toronto Stock Exchange in Canada resumed on Monday, October 22, 2012. The common shares were not immediately listed, traded or quoted on any of the OTC Markets.

Eric Richmond is the President of Coinsquare. Prior to Mr. Richmond’s appointment as President, Coinsquare reached a settlement agreement (the “**Settlement Agreement**”) with the OSC in July 2020 pursuant to which Coinsquare agreed to pay \$200,000 to the OSC, create an independent board of directors and a whistleblower program, and appoint a new CEO and a new Chief Compliance Officer. The Settlement Agreement was entered into as a result of proceedings brought by the OSC where Coinsquare admitted to engaging in market manipulation, misleading clients about trade volumes, and taking a reprisal against an internal whistleblower.

## STATEMENT OF EXECUTIVE COMPENSATION

### General

For the purpose of this Circular:

“**CEO**” means an individual who served as a chief executive officer of the Company, or performed functions similar to a chief executive officer, for any part of the most recently completed financial year;

“**CFO**” means an individual who served as a chief financial officer of the Company, or performed functions similar to a chief financial officer, for any part of the most recently completed financial year;

“**Common Share**” means a common share of the Company;

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

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) the most highly compensated executive officer, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”), for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year;

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

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

*Director and Named Executive Officer Compensation, Excluding Compensation Securities*

The Named Executive Officers of the Company during the last completed fiscal year ended June 30, 2023 (“**Fiscal 2023**”) were Stéphane Ouellette CEO, Alex McAulay CFO, and David Washburn President. There were no other executive officers of the Company who individually earned more than \$150,000 in total compensation.

The Board during Fiscal 2023 were Stéphane Ouellette, Adam Rabie, Eric Richmond, Dan Cristall, and Geoffrey Browne.

The following table excluding options and compensation securities, sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each current and former NEO and director, in any capacity, in the two most recently completed financial years ended June 30, 2023 and 2022.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Stéphane Ouellette CEO and Director	2023	225,865	Nil	Nil	Nil	Nil	225,865
	2022	166,346	Nil	Nil	Nil	Nil	166,346
Alex McAulay CFO and Corporate Secretary	2023	18,115	Nil	Nil	Nil	Nil	18,115
	2022	3,643	Nil	Nil	Nil	Nil	3,643
David Washburn <sup>(1)</sup> President	2023	Nil	Nil	Nil	Nil	250,000 <sup>(2)</sup>	250,000 <sup>(2)</sup>
	2022	Nil	Nil	Nil	Nil	58,929 <sup>(2)</sup>	58,929 <sup>(2)</sup>
Adam Rabie Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Eric Richmond Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Dan Cristall Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Geoffrey Browne Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. David Washburn was appointed President on June 20, 2022.

(2) During the fiscal years ending June 30, 2023 and 2022, the Company paid consulting fees to Opeongo Advantage Corp. (a private company wholly owned by The Washburn 2020 Family Trust, of which David Washburn is a trustee) for Mr. Washburn to serve as the President of FRNT. During the fiscal years ending June 30, 2023 and 2022, Mr. Washburn received compensation of \$250,000 and \$58,929, respectively, in respect of the services he provides to FRNT.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and each current and former NEO in any capacity, by the Company or any subsidiary thereof for the past two fiscal years - 2023 and 2022.

Compensation Securities							
Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and % of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Eric Richmond <sup>(2)</sup> Director	Stock Options	15,000 0.47%	Apr. 30/21	1.50	N/A	0.35	5 years from vesting, starting June 30/21
	Stock Options	75,000 2.34%	Oct. 12/21	1.50	N/A	0.35	5 years from vesting, starting Oct. 12/21
Dan Cristall <sup>(3)</sup> Director	Stock Options	90,000 2.81%	May 10/21	1.50	N/A	0.35	5 years from vesting, starting June 30/21
Geoffrey Browne <sup>(4)</sup> Director	Stock Options	90,000 2.81%	Sept. 1/21	1.50	N/A	0.35	5 years from vesting, starting Sept. 1/21
Alex McAulay <sup>(5)</sup> CFO and Corporate Secretary	Stock Options	200,000 6.23%	Nov. 18/21	1.50	N/A	0.35	5 years from vesting, starting Apr. 19/2022
	Stock Options	100,000 3.12%	Nov. 18/21	2.00	N/A	0.35	5 years from vesting, starting Apr. 19/2022
	Stock Options	100,000 3.12%	Nov. 18/21	2.50	N/A	0.35	5 years from vesting, starting Apr. 19/2022
David Washburn <sup>(6)</sup> President	Stock Options	800,000 24.93%	June 20/22	1.50	0.88	0.35	5 years from vesting, starting Sept. 20/22

- (1) Each stock option entitles the holder to one Common Share upon exercise. For further information, see “20% Fixed Option Plan” below.
- (2) Eric Richmond held a total of 90,000 stock options as at June 30, 2023.
- (3) Dan Cristall held a total of 90,000 stock options as at June 30, 2023.
- (4) Geoffrey Browne held a total of 90,000 stock options as at June 30, 2023.
- (5) Alex McAulay held a total of 400,000 stock options as at June 30, 2023.
- (6) David Washburn held a total of 1,033,062 stock options directly and indirectly as at June 30, 2023, including these 800,000 stock options held by Opeongo Advantage Corp., a private company wholly owned by The Washburn 2020 Family Trust, of which David Washburn is a trustee.

## **Exercise of Compensation Securities by Directors and NEOs**

During the financial year ended June 30, 2023, no compensation securities were exercised by a NEO or director of the Company.

### **20% Fixed Option Plan**

The Company has adopted a 20% fixed option plan (the “**20% Fixed Option Plan**”), pursuant to which the Board of the Company may, from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers, employees and other eligible service providers (or corporations controlled by such persons) options.

As at June 30, 2023, the Company has an aggregate of 3,208,453 stock options outstanding.

The principal features of the 20% Fixed Option Plan are summarized below.

#### Purpose

The purpose of the 20% Fixed Option Plan is to advance the interests of the Company by encouraging eligible participants to receive Options, thereby (i) increasing the interest in the Company’s welfare of such participants who share responsibility for the management, growth and protection of the business of the Company, (ii) providing an incentive to continue their services for the Company and encouraging such participants whose skills, performance and loyalty to the objectives and interests of the Company are necessary or essential to its success, image, reputation or activities, (iii) rewarding such participants for their performance of services while working for the Company and (iv) providing a means through which the Company may attract and retain able persons to enter its employment.

#### Administration and Eligibility

The 20% Fixed Option Plan will be administered by the Board, provided that the Board may, in its discretion, delegate its administrative powers under the 20% Fixed Option Plan to the Compensation Committee. Employees, officers, directors and consultants of the Company and its designated affiliates will be eligible to participate in the 20% Fixed Option Plan.

#### Common Shares Subject to the 20% Fixed Option Plan and Participation Limits

The maximum number of Common Shares that will be available for issuance under the 20% Fixed Option Plan is 20% of the total number issued and outstanding Common Shares as at the date of implementation of the 20% Fixed Option Plan, being 7,029,865 Common Shares, provided that unless disinterested shareholder approval as required by the policies of the TSXV are obtained (i) the maximum number of Common Shares issued to Insiders (as defined under the policies of the TSXV), including associates of Insiders if legally required, and (ii) the aggregate number of Common Shares reserved for issuance to the Insiders (as defined under the policies of the TSXV) under the 20% Fixed Option Plan and any other security-based compensation arrangements of the Company shall not exceed 10% of the total aggregate issued and outstanding Common Shares and Class A Common Shares. The maximum number of Common Shares for which options may be issued to any one participant in any 12-month period shall not exceed 5% of the outstanding Common Shares unless disinterested Shareholder approval as required by the policies of the TSXV is obtained, or 2% of the outstanding Common Shares in the case of a grant of options to any one consultant of the Company and in the case of a grant of options to all persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV), calculated on the date an option is granted to the participant. Common Shares reserved for issuance for persons providing Investor Relations Activities (as defined by the TSXV) must vest over a period of not less than 12 months with no more than one-quarter of such Common Shares vesting in any three-month period.

## Stock Options

Subject to the terms and conditions of the 20% Fixed Option Plan, the Board may grant options to participants in such amounts and upon such terms (including the exercise price, duration of the options, the number of Common Shares to which the option pertains, and the conditions, if any, upon which an option shall become vested and exercisable) as the Board shall determine.

The exercise price for stock options will be determined by our Board, which may not be less than the market value of a Common Share on the date the stock option is granted, being the greater of (i) the volume weighted average trading price for the last five trading days immediately preceding such date and (ii) the closing price of a Common Share on the TSXV on the last trading day immediately prior to the applicable date (the “**Market Value**”).

Unless otherwise specified in an option agreement granting options, options shall vest subject to applicable TSXV policies, and the Board may, in its sole discretion, determine the time during which an option shall vest and the method of vesting, or that no vesting restriction shall exist.

Stock options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, provided that if the expiry date falls during a blackout period, the expiry date will be automatically extended until 10 business days after the end of the blackout period. The 20% Fixed Option Plan will also provide for earlier expiration of stock options upon the occurrence of certain events, including the termination of a participant’s employment.

## Termination of Employment

Unless otherwise specified in an option agreement granting such option, any option shall vest at the discretion of the Board, subject to the policies of the TSXV, provided that, and subject to the Board’s discretion, if the terms of the option, the 20% Fixed Option Plan or any resolution of such Board does not specify the effect of a termination, cessation or resignation of the participant, then the following default rules will apply:

<b>Voluntary Termination:</b>	
Resignation	At the discretion of the Board, provided that any options that have not been exercised (whether vested or not) within 12 months after the termination date shall automatically and immediately expire and be forfeited on such date
Death	Remain and continue to vest for a period of 12 months after the termination date <sup>(2)</sup>
Disability	Remain and continue to vest for a period of 12 months after the termination date <sup>(2)</sup>
<b>Involuntary Termination:</b>	
Not for Cause	Remain and continue to vest for a period expiring on the earlier of (i) the end of the notice period contained in the notice of termination and (ii) 12 months after the termination date <sup>(1)(2)</sup>
For Cause	Any option (vested or not) outstanding at the time of such termination shall wholly and completely terminate automatically and be immediately forfeited upon the later of (i) the termination date provided in the notice of termination and (ii) the conclusion of the statutory notice period, if any <sup>(1)</sup>
Change of Control	Possible acceleration of vesting

<sup>(1)</sup> Subject to ensuring that any rights under the 20% Fixed Option Plan continue for the statutory notice period, if any.

<sup>(2)</sup> All unvested options as of such termination date shall remain and continue to vest (and are exercisable) in accordance with the terms of the 20% Fixed Option Plan for a period of 12 months after the termination date provided that any options that have not been exercised (whether vested or not) within 12 months after the termination date shall automatically and immediately expire and be forfeited on such date.

## Changes of Control

In the event of an actual or potential Change of Control (as such term defined in the 20% Fixed Option Plan) of the Company, the Board shall have discretion as to the treatment of options, including whether to (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any options; (ii) permit the conditional

redemption or exercise of any options, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any options; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the options not exercised prior to the successful completion of such Change of Control.

#### Adjustments

The 20% Fixed Option Plan will provide for the Board to make customary adjustments or substitutions, as applicable, in the number of Common Shares that may be issued under the 20% Fixed Option Plan in the event of a dividend declared upon the Common Shares or other securities of the Company payable in Common Shares or other securities of the Company, exchange of Common Shares for a different kind of shares or other securities of the Company or of another entity, whether through an arrangement, amalgamation or similar statutory procedure for share recapitalization, subdivision, consolidation or otherwise, or other like change in capital structure or distribution of assets or Common Shares out of the ordinary course of business, or any similar corporate event or transaction.

#### Amendment and Termination

The Board will be able to amend, suspend or terminate the 20% Fixed Option Plan or any option, subject to applicable law and stock exchange rules that requires the approval of Shareholders or any governmental or regulatory body, provided that no such action may be taken that materially adversely alters or impairs any rights of a participant under any option previously granted without the consent of such affected participant.

#### Assignment

Except as required by law, the rights of a participant under the 20% Fixed Option Plan are not transferable or assignable subject to certain exceptions set forth in the 20% Fixed Option Plan.

#### *Stock Option Agreements Outside of Plan*

The Company issued 2,500,000 compensation options to a financial consultant of the Company on February 1, 2021, pursuant to an engagement letter dated January 27, 2021. The compensation options expire on June 1, 2024 and may be exercised at \$1.00 per Common Share as to 1,000,000 options; \$1.50 per Common Share as to 1,000,000 options; and \$2.00 per Common Share as to 500,000 options.

#### **Employment, Consulting and Management Agreements**

Other than as described below, the Company is not party to any formal, written employment, consulting or management agreements with any NEO or director or any agreements that contain termination or change of control provisions.

#### *Alex McAulay, Chief Financial Officer*

Alex McAulay provides his services, as chief financial officer, to the Company pursuant to an employment agreement (the “**McAulay Agreement**”) dated July 13, 2022. Mr. McAulay is required to report to the Board of Directors and to keep the Board informed of all relevant matters concerning his services. Mr. McAulay must act faithfully, honestly and diligently, use his best efforts to promote the best interests of the Company, and utilize maximum professional skill and care to ensure that his services are rendered to the satisfaction of the Company. Under the McAulay Agreement, the Company pays Mr. McAulay an annual base salary of \$18,000 and reimburses Mr. McAulay for documented expenses he reasonably incurs. Mr. McAulay is subject to a one-year non-solicitation provision under the McAulay Agreement and to standard confidentiality obligations under a separate confidentiality agreement. The McAulay Agreement is terminable by Mr. McAulay on 14 days’ advance written notice, or by the Company, without notice, for cause. The Company may also terminate the McAulay Agreement without cause, and without further obligation, by providing Mr. McAulay the minimum period of notice of termination or pay and benefits continuation in lieu of notice and severance pay, if any, required by the *Employment Standards Act, 2000*, as amended (the “**ESA**”).

#### *Consulting Agreement with Treewalk Consulting Inc.*

The Company entered into a consulting agreement dated March 3, 2021, with Treewalk Consulting Inc. (formerly, ACM Management Inc.) (“**Treewalk**”), pursuant to which Treewalk provides accounting, financial, and administrative services to the Company (the “**Treewalk Agreement**”). Treewalk is a private British Columbia company beneficially owned by Alex McAulay. During the financial years ended June 30, 2023 and June 30, 2022, the Company paid Treewalk \$141,852 and \$146,415, respectively, for its services.

Pursuant to the Treewalk Agreement, Treewalk agrees to provide certain accounting and financial services to the Company, and as consideration for these services, the Company agrees to pay Treewalk Consulting Inc. (a) a \$5,000 retainer fee, which Treewalk will draw down against for the services provided under the Treewalk Agreement, and (b) will bill the Company certain hourly rates, which vary depending on the services provided. The Treewalk Agreement provides that the term of Treewalk Consulting Inc.'s engagement shall commence March 3, 2021 and continue until March 2, 2022 unless otherwise terminated in advance or extended. The Treewalk Agreement was extended for an indefinite term on March 2, 2022.

*David Washburn, President*

Effective June 20, 2022, the Company entered into a consulting agreement with Opeongo Advantage Corp. (the "**Consultant**") (a private company wholly owned by The Washburn 2020 Family Trust, of which David Washburn is a trustee) whereby the Company agreed to retain Mr. Washburn as President (the "**Agreement**"). The Agreement provides for an annual consulting fee of \$249,999.96, a signing fee of \$50,000, and the grant of 800,000 stock options at an exercise price of \$1.50. The Consultant is also eligible for subsequent grants of options, or cash bonuses, solely at the discretion of the Board, based upon performance.

The term of the Agreement commenced on June 20, 2022 and continue for an indefinite period. Either party may terminate the Agreement at any time on providing the other with thirty (30) days advance written notice and the Company may terminate the Agreement at any time for a material breach of the Agreement or the services provided thereunder by the Consultant, without notice or payment in lieu thereof.

In the event that the Company, or its successor terminates the Agreement within six (6) months of a Change of Control of the Company without a material breach, the Consultant will be entitled to receive a lump sum equal to twenty-four (24) months' pay.

For the purposes of the Agreement, change of control is deemed to have occurred when:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its affiliates and another corporation or other entity, as a result of which the holders of shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation immediately after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets, rights or properties of the Company and its subsidiaries on a consolidated basis to any other person or entity, other than transactions among the Company and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) any person, entity or group of person or entities acting jointly or in concert (the "**Acquiror**") acquires, or acquires control (including, without limitation, the power to vote or direct the voting) of, voting securities of the Company which, when added to the voting securities owned of record 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 Acquiror to cast or direct the casting of 50% 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 corporation (regardless of whether a meeting has been called to elect Directors);
- (e) as a result of or in connection with: (A) a contested election of Directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its affiliates and another corporation or other entity (a "**Transaction**"), fewer than 50% of the Directors of the Company are persons who were Directors of the Company immediately prior to such Transaction; or
- (f) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### ***Compensation of Directors***

The Company has a compensation program for the Company's members of the Board and its committees. The compensation of the directors is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of the Company's Shareholders.

The Board, on the recommendation of the Compensation Committee, will be responsible for reviewing and approving any changes to the directors' compensation arrangements. In consideration for serving on the Board, each director will be paid an annual retainer consisting of stock options. All directors will be reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors.

### ***Compensation of Named Executive Officers***

To achieve FRNT's strategic business and financial objectives, the Company needs to attract, retain and motivate a highly talented executive team.

The Company's executive compensation program is designed to achieve the following objectives:

- provide competitive compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to the Company's success;
- motivate the Company's executive team to achieve the Company's strategic business and financial objectives, including growing the Company's asset base, and maintaining strong financial capacity to fund asset growth;
- align the interests of the Company's executive officer with those of the Company's Shareholders by tying a significant portion of compensation directly to the long-term value and growth of the Company's business;
- create strong pay for performance relationship; and
- provide incentives that encourage appropriate levels of risk-taking by the Company's executive team.

FRNT offers its executive officers cash compensation in the form of a base salary and bonus. Additionally, the Company intends to grant long-term incentives to the Company's executive officers in the form of options, under the 20% Fixed Option Plan. The Company believes that equity-based compensation awards motivate the Company's executive officers to achieve the Company's strategic business and financial objective, and also align their interests with the long-term interests of the Company's Shareholders. While the Company anticipates that the Company's executive compensation program will be effective at attracting and maintaining executive officer talent, the Company intends to continue evaluating the Company's compensation practices on an ongoing basis to ensure that it is providing competitive compensation opportunities for the Company's executive team. The Company intends to review the compensation of its executive team on an annual basis. As part of this review process, the Company expects to be guided by the philosophy and objectives outlined above, as well as other factors that may become relevant as the Company competes in the market.

### ***Elements of NEO Compensation***

#### ***Compensation Mix***

The compensation of the majority of the Company's executive officers includes three main components: (i) base salary; (ii) bonus; and (iii) long-term equity incentives, consisting of stock options granted from time to time under the 20% Fixed Option Plan. Perquisites and benefits are not expected to be a significant element of compensation for the Company's executive officers.

#### ***Base Salary***

The base salary of each particular executive officer will be determined based on the Board's compensation review process, as discussed above.

The Board believes that it is appropriate to establish compensation levels based in large part on benchmarking against comparable companies, both in terms of compensation practices as well as levels of compensation. In this way, the Company can gauge if its compensation is competitive in the marketplace for its talent, as well as ensure that the Company's compensation is reasonable. Accordingly, the Board will review the compensation levels for the executive officers against compensation levels of comparable companies.

In determining the base salary and bonus to be paid to the Chief Executive Officer and the Chief Financial Officer, the Board considered the particular responsibilities related to the position, the experience level of the executive officer and the necessary compensation required to retain the executive officer involved. Going forward, in determining the base salaries and bonuses for the Chief Executive Officer and the Chief Financial Officer, the Board intends to select an appropriate group of peer companies and review information on the compensation practices for executive compensation using published survey data from both the technology industry and all industries (where

appropriate).

### *Bonus*

Bonuses are performance based, short-term financial incentives. Bonuses are determined based on the compensation review process. In the future, as the Company grows, it is expected that an annual incentive award program will be formalized that will clearly articulate performance objectives and link specific, measurable goals with individual measurable performance criteria set for senior executives, including the NEOs.

### *20% Fixed Option Plan*

Long-term incentives are performance-based grants of stock options. The awards are intended to align executive interests with those of Shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of awards are based on:

- the executive's performance;
- the executive's level of responsibility within the Company;
- the number and exercise price of options previously issued to the executive; and
- the overall aggregate total compensation package provided to the executive.

The value of any long-term options allocated is determined using the Black-Scholes model.

Management makes recommendations to the Board concerning the 20% Fixed Option Plan, based on the above criteria. Options are typically granted on an annual basis in connection with the review of executives' compensation packages. Options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

The Board considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience, and level of commitment of the director, officer, employee, or consultant in determining the level of incentive stock option compensation.

### *Benefits and Perquisites*

The Company does not offer significant benefits or perquisites as part of the compensation program.

### **Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY INCENTIVE PLAN**

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to the 20% Fixed Option Plan, being the Company's only equity compensation plan in effect:

### **Equity Incentive Plan Information** (as at June 30, 2023)

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	3,208,453	\$1.23	3,821,412
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	3,208,453		3,821,412

## STATEMENT OF CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, (“NI 58-101”) of the Canadian Securities Administrators requires each reporting issuer to disclose its corporate governance practices on an annual basis.

Set out below is a description of the Company’s approach to corporate governance.

### **Board of Directors**

NI 58-101 defines “independence” with reference to the definition of independence contained in National Instrument 52-110 - *Audit Committees* (“NI 52-110”). A director is independent if he has no direct or indirect material relationship to the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. Certain types of relationships are by their nature considered to be material relationships and are specified in Section 1.4 of NI 52-110.

As of the date hereof, the Board consisted of five (5) directors: Stéphane Ouellette, Adam Rabie, Eric Richmond, Dan Cristall, and Geoffrey Browne. Of the current Board, Dan Cristall and Geoffrey Browne are considered independent directors of the Company. The following members of the Board are not considered independent: Mr. Ouellette (as Chief Executive Officer and Promoter), Mr. Rabie (as Promoter) and Mr. Richmond (as an individual considered to have a material relationship with the Company).

### **Other Directorships**

No directors of the Company hold directorships in other reporting issuers as at the date hereof.

### **Orientation and Continuing Education**

The Company has implemented an orientation program for new directors under which new directors will meet with the chair of the Board, members of senior management and the Company’s secretary. It is anticipated that new directors will be provided with a comprehensive orientation and education as to the nature and operation of the Company and the Company’s business, the role of the Board and its committees, and the contribution that an individual director is expected to make. The Board will be responsible for overseeing director continuing education designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of the Company’s business remains current. The chair of each committee will be responsible for coordinating orientation and continuing director development programs relating to the committee’s mandate.

### **Ethical Business Conduct**

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current size of the Company’s operations allows the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### **Nomination of Directors**

The Board is responsible for recruiting new directors, proposing new director nominees to the Board and reviewing the performance and qualifications of existing directors. The current members of the Board were selected for their technical and financial expertise to ensure a high level of corporate governance. The existing directors have the knowledge and contacts necessary to search out additional directors.

### **Other Board Committees**

The Company has an Audit Committee (please refer to the heading entitled “Audit Committee and Relationships with Auditors”) and a Compensation Committee. The Compensation Committee serves to monitor and make recommendations to the Board in respect of the total compensation paid by the Company to its senior executives and significant consultants.

### **Assessments**

The Board relies on experts such as financial advisors and external legal counsel and forms special committees on an ad hoc basis as necessary. Based on the Company’s size, its stage of development and the limited number of individuals on the Board, the Board considers an external formal assessment process to be inappropriate at this time.

The entire Board is responsible for selecting new directors and assessing current directors. A proposed director's credentials are reviewed in advance of a Board meeting by one or more members of the Board prior to the proposed director's nomination and in camera sessions are available at every Board meeting.

## **Diversity Disclosure**

### ***Term Limits***

Directors are to be elected at each annual meeting of Shareholders to hold office for a term expiring at the next annual general meeting of Shareholders or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the *Canada Business Corporations Act*. The Board will be principally responsible for the nomination of new candidates for election by Shareholders to the Board. The Company has not adopted term limits for members of the Board or other mechanisms for Board renewal. The Board recognizes the benefit that new perspectives, ideas and business strategies can offer and support periodic Board renewal. The Board also recognize that a director's experience and knowledge of the Company's business is a valuable resource. Accordingly, the Board believes that the Company and the Shareholders are best served by the regular assessment of the effectiveness of the Board rather than by fixed age, tenure and other limits.

### ***Designated Groups***

The Board is committed to maintaining high standards of corporate governance in all aspects of the Company's business and affairs and recognizes the benefits of fostering greater diversity in the boardroom. A fundamental belief of the Board is that a diversity of perspectives maximizes the effectiveness of the Board and decision-making in the best interests of the Company. As noted above, in identifying new candidates for Board nomination, the Company does look for individuals with diverse backgrounds at the executive level. This ensures that best practices and experience across multiple industries can be applied in making strategic decisions for the Company. However, the Company has not adopted a formal written policy related to the identification and nomination of designated groups (as defined in the *Employment Equity Act (Canada)*) for directors. The Company nonetheless appreciates the value of a diverse Board and management and believes that diversity helps it reach its efficiency and skill objectives for the greater benefit of Shareholders.

No specific quota or targets for the representation of designated groups on the Board or executive officer positions has been adopted in order to enable it to perform an overall assessment of the qualities and skills of a potential candidate instead of concentrating on designated groups. When the Board selects candidates for Board or executive officer positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, including whether the individual is a member of a designated group, to best bring together a selection of candidates allowing the Company to perform efficiently and act in the best interest of the Company and the Shareholders.

Neither Management nor the Board presently have a have a member of a designated group.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established. NI 52-110 requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

### **The Audit Committee's Charter**

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached as Schedule "A" to this Circular.

## Composition of the Audit Committee

The following are members of the Audit Committee as at the date hereof:

	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>	Relevant Education and Experience
Eric Richmond Audit Committee Chair	No	Yes	Juris Doctor from Western University and Honors Business Administration from the Ivey Business School; Completed the Partners Directors and Senior Officers course with the Canadian Securities Institute and is a lawyer in good standing with the Law Society of Ontario
Geoffrey Browne	Yes	Yes	B.A. in economics from the University of Western Ontario; 40 years of experience in the financial services industry in Canada, the U.S and London, England; Was head of private equity for Merrill Lynch Canada
Dan Cristall	Yes	Yes	MBA from the Ivey School of Business and an undergraduate degree in economics (honours specialization) from Western University; Served as CEO of Macquarie Capital Markets Canada Ltd. from September 2013 to June 2021

### Notes:

- (1) A member of the Audit Committee is independent if he or she has no direct or indirect ‘material relationship’ with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. An executive officer of the Company, such as the CEO, is deemed to have a material relationship with the Company.
- (2) A member of the Audit Committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements

## Relevant Education and Experience

Each of the Company’s Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. Each member has significant understanding of the blockchain and cryptocurrency business which the Company engages in and has an appreciation for the relevant accounting principles for that business. For further information regarding relevant education and experience of the Company’s Audit Committee members, see table under the heading “Composition of the Audit Committee”.

## 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

The Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) thereof.

## Pre-Approval Policies and Procedures

The Audit Committee nominates and engages the independent auditors to audit the financial statements, and approves all audit, audit-related services, tax services and other services provided by the Company’s independent registered public accounting firm, Baker Tilly WM LLP. Any services provided by Baker Tilly WM LLP that are not specifically included within the scope of the audit must be pre-approved by the audit committee prior to any engagement. The Audit Committee is permitted to approve certain fees for audit-related services, tax services and other services pursuant to a de minimus exception before the completion of the engagement. No fees paid to Baker Tilly WM LLP in either of the fiscal years ended June 30, 2023 and 2022 were approved pursuant to the de minimus exception.

## External Auditor Service Fees (By Category)

The table below sets out all fees billed by the Company’s external auditor in each of the last two fiscal years. In the table “Audit Fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s financial statements for the fiscal year. “Audit-Related Fees” are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax Fees” are fees billed by the Company’s external

auditors for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the external auditor for products and services not included in the foregoing categories:

Financial Year Ended	Audit Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	Audit-Related Fees <sup>(3)</sup>	All Other Fees
June 30, 2023	\$48,500	Nil	Nil	Nil
June 30, 2022	\$55,000	\$3,250	\$95,500	Nil

Notes:

- (1) Audit fees include the audit of the year-end financial statements.
- (2) Tax fees related to tax compliance services.
- (3) Audit-Related fees include fees for assurance and related services.

## INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No current or former directors, executive officers or employees of the Company or any of its subsidiaries are or were indebted to the Company and no current or proposed director or executive officer or any associate of the foregoing is or was indebted to the Company or any of its subsidiary or has any indebtedness to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiary.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

FRNT is party to the Paradox Agreements with Paradox. Paradox is managed, but not owned, by a company of which Adam Rabie is the Chief Executive Officer and Stéphane Ouellette is a director. The nature of the agreements will give Messrs. Rabie and Ouellette direct access to hedging and collateralization information outside of the contractual agreement noted above. Mr. Rabie also holds an 85.67% interest in the manager of the Paradox Fund.

FRNT is also a party to an Investment Agreement between FRNT and Coinsquare dated May 9, 2018, as amended and restated on October 28, 2019 (the “**A&R Investment Agreement**”). Cole Diamond signed the agreement on behalf of Coinsquare as the company’s Chief Executive Officer. At the time of entering into the A&R Investment Agreement, Mr. Diamond was serving as a director of FRNT. Mr. Diamond remained a director until his resignation on May 26, 2020. Further, the A&R Investment Agreement contains a profit-sharing arrangement, pursuant to which upon the Company reaching profitability, Coinsquare is entitled to share in the profits of the Company. The provision contemplates a profit sharing agreement to be entered into between Coinsquare and the Company, which shall provide for Coinsquare to receive 50% of the Company’s “net profits” (as defined in the A&R Investment Agreement) and that the profits shall be applied first to the repayment in full of the \$200,000 loan, which was granted to the Company by Coinsquare, and then towards payment in full of the fees owing for services provided by Coinsquare pursuant to the A&R Investment Agreement. Upon repayment in full of the loan and the service fees, the profit-sharing agreement shall automatically terminate without further action on the part of the Company or Coinsquare.

Other than the Paradox Agreements and the A&R Investment Agreement, there are no material interests, direct or indirect, of any of the Company’s directors or executive officers, any Shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of the aggregate votes attached to the Common Shares, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect the Company.

## REAPPOINTMENT AND REMUNERATION OF AUDITOR

Management of the Company proposes to nominate Baker Tilly WM LLP, the current auditors of the Company, as auditors of the Company to hold office until the next Annual General Meeting of Shareholders, or until a successor is appointed, at a remuneration to be fixed by the directors. Baker Tilly WM LLP have been auditors of the Company since October 18, 2021.

**UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE FOR THE REAPPOINTMENT OF BAKER TILLY WM LLP AS THE AUDITOR OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OR UNTIL THEIR SUCCESSOR IS APPOINTED AND AUTHORIZE THE DIRECTORS OF THE COMPANY TO FIX BAKER TILLY WM LLP’S REMUNERATION.**

## MANAGEMENT CONTRACTS

There are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person or company other than the Directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Company.

## OTHER MATTERS

As of the date of this information circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

## ADDITIONAL INFORMATION

Additional information concerning the Company can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.fmnt.io](http://www.fmnt.io).

Financial information relating to the Company is provided in the 2022 Financial Statements and the MD&A for the years ended June 30, 2022 and 2021. Shareholders may download the 2022 Financial Statements and MD&A from SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) or contact the Company directly to request copies of the 2022 Financial Statements and MD&A by: e-mail to [investors@fmnt.io](mailto:investors@fmnt.io). Additional financial information concerning the Company may be obtained by any shareholder free of charge through the Company's website at [www.fmnt.io](http://www.fmnt.io) or by contacting the Company at 1-833-222-3768.

## APPROVAL OF THE DIRECTORS

The directors of the Company have approved the content and the sending of this information circular.

DATED at Toronto, Ontario this 19<sup>th</sup> day of September, 2023.

### BY ORDER OF THE BOARD

*"Stéphane Ouellette"*

Chief Executive Officer & Director

**Schedule “A” to the  
Information Circular of FRNT Financial Inc.**

**FRNT** Financial

**AUDIT COMMITTEE CHARTER**

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## I. INTRODUCTION

- A. This Charter sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of FRNT Financial Inc. (the “**Company**”).

## II. STATEMENT OF PURPOSE

- A. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:
- financial reporting and related financial disclosure;
  - risk management;
  - internal control over financial reporting and disclosure controls and procedures;
  - the annual independent audit of the Company’s financial statements;
  - legal and regulatory compliance;
  - related party transactions; and
  - compliance with public disclosure requirements.

## III. COMMITTEE MEMBERSHIP

- A. The Committee shall consist of as many directors of the Board as the Board may determine (the “**Members**”), but in any event, not less than three (3) Members. Subject to applicable securities laws, at least a majority of the Members of the Committee, at any time, shall be “independent” and each Member shall be “financially literate”, each within the meaning of National Instrument 52-110 - Audit Committees (“**NI 52-110**”) and any other applicable securities laws and the rules of any stock exchanges upon which the Company’s securities are listed. NI 52-110 requires, among other things, that to be independent, a Member be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member’s independent judgment.
- B. Members shall be appointed by the Board. Any Member may be removed and replaced at any time by the Board, and will automatically cease to be a Member if he or she ceases to meet the qualifications required of Members. The Board will fill vacancies on the Committee by appointment from among qualified directors of the Board. If a vacancy exists on the Committee, the remaining Members may exercise all of the Committee’s powers so long as there is a quorum in accordance with Section 3 below.
- a. *Chair*: The Board will designate one of the independent directors of the Board to be the chair of the Committee (the “**Chair**”) and the Chair may be removed or replaced at any time by the Board, in both cases.
- b. *Qualifications*: All Members must be financially literate. Members must have suitable experience and must be familiar with auditing and financial matters.
- c. *Attendance of Management and other Persons*: The Committee may invite, at its discretion, senior executives of the Company or such persons as it sees fit to attend meetings of the Committee and to take part in the discussion and consideration of the affairs of the Committee. The Committee may also require senior executives or other employees of the Company to produce such information and reports as the Committee may deem appropriate in the proper exercise of its duties. Senior executives and other employees of the Company

shall attend a Committee meeting if invited by the Committee. The Committee may meet without senior executives in attendance for a portion of any meeting of the Committee.

- d. *Delegation*: Subject to applicable law, the Committee may delegate any or all of its functions to any of its Members or any subset thereof, or other persons, from time to time as it sees fit.

#### IV. COMMITTEE OPERATIONS

- a. *Meetings*: The Chair, in consultation with the other Members, shall determine the schedule and frequency of meetings of the Committee. Meetings of the Committee shall be held at such times and places as the Chair may determine. To the extent possible, advance notice of each meeting will be given to each Member unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings of the Committee either in person or by telephone, video or other electronic means. Powers of the Committee may also be exercised by written resolutions signed by all Members.

At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company or any Member, the Chair shall convene a meeting of the Committee. Any such request shall set out in reasonable detail the business proposed to be conducted at the meeting so requested.

- b. *Agenda and Reporting*: To the extent possible, in advance of every regular meeting of the Committee, the Chair shall prepare and distribute, or cause to be prepared and distributed, to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials.

The Chair shall report to the Board on the Committee's activities since the last Board meeting. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board. Minutes of each meeting of the Committee shall be circulated to the Board following approval of the minutes by the Members. The Committee shall oversee the preparation of, review and approve the applicable disclosure for inclusion in the Company's annual information form.

- c. *Secretary and Minutes*: The Corporate Secretary of the Company may act as secretary of the Committee unless an alternative secretary is appointed by the Committee. The secretary of the Committee shall keep regular minutes of Committee proceedings and shall circulate such minutes to all Members and to the chair of the Board (and to any other director of the Board that requests that they be sent to him or her) on a timely basis.
- d. *Quorum and Procedure*: A quorum for any meeting of the Committee will be a simple majority of the Members in office. The procedure at meetings will be determined by the Committee. The powers of the Committee may be exercised by a simple majority of Members at a meeting where a quorum is present or by resolution in writing signed by all Members. In the absence of the Chair, the Committee may appoint one of its other Members to act as Chair of any meeting.
- e. *Exercise of Power between Meetings*: Between meetings, the Chair, or any Member designated for such purpose by the Committee, may, if required in the circumstance, exercise any power delegated by the Committee on an interim basis. The Chair or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

## V. DUTIES AND RESPONSIBILITIES

A. The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board, as well as any other functions that may be necessary or appropriate for the performance of its duties.

- a. *Financial Reporting and Disclosure:* Review and recommend to the Board for approval, the interim and audited annual financial statements, including the auditors' report thereon, management's discussion and analysis, financial reports, press releases related to such financial statements and reports, and other applicable financial disclosure, prior to the public disclosure of such information.

Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents, prior to the public disclosure of such documents or information.

Review with senior executives of the Company, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable.

Seek to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, the Company's disclosure controls and procedures and periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration.

- b. *Risk Management:* Review the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.

Review and make recommendations to the Board regarding the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company.

- c. *Internal Controls and Internal Audit:* Review the adequacy and effectiveness of the Company's internal control and management information systems through discussions with senior executives of the Company and the external auditor relating to the maintenance of (i) necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions; (ii) effective internal control over financial reporting; and (iii) adequate processes for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud. From time to time the Committee shall assess any requirements or changes with respect to the establishment or operations of the internal audit function having regard to the size and stage of development of the Company at any particular time.

Satisfy itself, through discussions with senior executives of the Company that the adequacy of internal controls, systems and procedures has been periodically assessed in accordance with regulatory requirements and recommendations.

Periodically review the Company's policies and procedures for reviewing and approving or ratifying related-party transactions.

- d. *External Audit:* Recommend to the Board a firm of external auditors to be nominated for appointment as the external auditors of the Company.

Ensure the external auditors report directly to the Committee on a regular basis. Review the independence of the external auditors.

Review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors.

Review and approve the audit plan of the external auditors, including the scope and staffing of the audit, prior to the commencement of the audit. Establish and maintain a direct line of communication with the Company's external auditors.

At each meeting, the Committee shall meet in private session, if required, and may meet with the external auditors, with management, and with the Committee members only.

Review and assess the compensation and oversight of the work of the external auditors of the Company with respect to preparing and issuing an audit report or performing other audit or review services for the Company, including the resolution of issues between senior executives of the Company and the external auditors regarding financial reporting. The external auditor shall report directly to the Committee.

Review the results of the external audit and the external auditors' report thereon, including discussions with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with senior executives of the Company and any other matters.

Review any material written communications between senior executives of the Company and the external auditors and any significant disagreements between the senior executives and the external auditors regarding financial reporting.

Discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto.

Discuss with the external auditors their perception of the Company's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks.

Recommend to the Board any change of the external auditors and oversee any such change to ensure compliance with NI 52-110 and other applicable securities laws.

Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

Review and assess, at least annually, the performance of the external auditors, including (i) reviewing and evaluating the lead partner on the external auditor's engagement with the Company, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services are compatible with maintaining the auditor's independence.

- e. *Associated Responsibilities:* Monitor and periodically review the Whistleblower Policy of the Company and associated procedures for:
- the receipt, retention and treatment of complaints received by the Company regarding accounting and internal accounting controls or auditing matters;
  - the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - any violations of applicable law, rules or regulations that relate to corporate reporting and disclosure.

Review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company.

- f. *Non-Audit Services:* Pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities, in accordance with NI 52-110 and other applicable securities laws, if any. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.
- g. *Other Duties:* Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties. Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law.

## **VI. THE COMMITTEE CHAIR**

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for overseeing and reporting on the evaluations to be conducted by the Committee, as well as monitoring developments with respect to accounting and auditing matters in general and reporting to the Committee on any related significant developments.

## **VII. COMMITTEE EVALUATION**

The performance of the Committee shall be evaluated by the Board as part of its regular evaluation of the Board committees.

## **VIII. ACCESS TO INFORMATION AND AUTHORITY TO RETAIN INDEPENDENT ADVISORS**

- A. The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees of the Company will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Company's expense, independent legal, financial, and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve their fees. In selecting such advisors, consultants and experts, the Committee shall take into account factors relevant to their independence from the Company's management and other relevant considerations.
- B. The Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the external advisors, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more

onerous or extensive than the standard to which the directors of the Board are subject under applicable law.

- C. The Committee also has the authority to communicate directly with internal and external auditors. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of the senior executives of the Company responsible for such matters and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are directors of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with the constating documents of the Company and all applicable laws and rules.
- D. The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers, to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

## **IX. REVIEW OF CHARTER**

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

