



**DELPHX CAPITAL MARKETS INC.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

**TO BE HELD JUNE 30, 2021**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**June 1, 2021**

# DELPHX CAPITAL MARKETS INC.

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 30, 2021

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the shareholders of DelphX Capital Markets Inc. (the “**Corporation**”) will be held by way of teleconference on Wednesday, June 30, 2021 at 11:00 a.m. (Eastern time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the fiscal years ended December 31, 2018, 2019 and 2020 together with the auditors’ reports thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint Davidson and Company LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year, and to authorize the directors of the Corporation to fix their remuneration;
4. to consider and, if deemed advisable, to pass an ordinary resolution, with or without amendment, to approve and confirm the renewal of the Stock Option Plan of the Corporation, as more particularly described in the accompanying Information Circular (the “**Information Circular**”);
5. to consider, and, if deemed advisable, to pass an ordinary resolution, with or without amendment, to approve and confirm By-law No. 1 of the Corporation, as more particularly described in the accompanying Information Circular; and
6. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The Corporation’s accompanying Information Circular provides additional information relating to each of the matters to be addressed at the Meeting and is deemed to form part of this Notice of Meeting.

Due to the continued public health impact of the coronavirus outbreak (COVID-19) and in consideration of the health and safety of the shareholders of the Corporation, employees and the broader community, the Meeting will be held in a virtual only format, by way of a teleconference, instead of in person. Shareholders will have the opportunity to join the Meeting via teleconference by calling 1-866-297-7169 (Canada) or 1-866-225-1342 (United States), Conference Code 2669099561#; (if located outside of Canada or the U.S., shareholders should visit <https://www.intercallonline.com/>, click Get dial-in numbers and use the Conference Code 2669099561 to obtain the applicable dial-in number in the country such shareholder is located in). Shareholders will not be able to vote at the Meeting via the teleconference call.

Shareholders are encouraged to read, complete, sign, date and return the enclosed form of proxy prior to the Meeting in accordance with the instructions set out in the proxy and in the Information Circular. In order to be valid for use at the Meeting, proxies must be received by Computershare Investor Services Inc., at its office at 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 by 11:00 a.m. (Eastern time) on June 28, 2021 or, in the event of a postponement or adjournment of the Meeting, at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting. The time limit for deposit of proxies may be waived or extended by and at the discretion of the Chair of the Meeting, without notice.

The Board of Directors (the “**Board**”) has fixed May 26, 2021 as the record date (the "**Record Date**") for the determination of Shareholders entitled to receive notice of and vote at the Meeting. Any persons who were not holders of Shares and who acquired Shares after the Record Date will not be entitled to receive notice of or vote those Shares at the Meeting.

**DATED** this 1<sup>st</sup> day of June, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
DELPHX CAPITAL MARKETS INC.**

*“Patrick Wood”*

---

Patrick Wood  
President and Chief Executive Officer

## DELPHX CAPITAL MARKETS INC.

### MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the management of DelphX Capital Markets Inc. (the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of the shareholders of the Corporation (the “**Shareholders**”) to be held by way of teleconference on Wednesday, June 30, 2021 at 11:00 a.m. (Eastern time), and at all postponements or adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting. All dollar amounts in this Information Circular are expressed in Canadian dollars, unless otherwise indicated. Unless otherwise stated, the information contained in this Information Circular is given as at June 1, 2021.

### THE CORPORATION

DelphX Capital Markets Inc. was incorporated under the laws of the province of British Columbia on October 21, 2016 and continued under the laws of the province of Ontario on December 24, 2018. The head and registered office of the Corporation is currently located at 15 Prince Arthur Ave., Toronto, Ontario, M5R 1B2.

The Corporation is a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and the common shares of the Corporation (the “**Shares**”) are listed for trading on the TSX Venture Exchange, under the trading symbol “DELX”.

### PROXY SOLICITATION AND VOTING

#### Solicitation of Proxies

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder’s behalf in accordance with the instructions given by the Shareholder in the proxy. The solicitation of proxies for the Meeting will be made primarily by mail, but proxies may also be solicited personally, electronically or by telephone by the directors, officers, employees or consultants of the Corporation.

Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of Shares pursuant to the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

The Corporation will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of this Information Circular.

#### Appointment of Proxyholders and Revocation of Proxies

The persons named in the enclosed form of proxy are officers of the Corporation. **A Shareholder who wishes to appoint some other person (who need not be a Shareholder), to represent him or her at the Meeting may do so by crossing out the persons named in the proxy and inserting such person’s name in the blank space provided in the form of proxy or by completing another proper form of proxy.** Such Shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxyholder, and provide instructions on how the Shareholder’s Shares are to be voted.

To be valid, the proxy must be dated and executed by the Shareholder or his or her attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy) or, if the

Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, trustees, etc., should so indicate and provide satisfactory evidence of such authority.

The proxy must then be delivered to the Corporation's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by telephone or Internet, following the instructions on the form of proxy, at least 48 hours, excluding Saturdays, Sundays and holidays, before the time of the Meeting or any adjournment thereof. Proxies received after that time may be accepted by the Chairman of the Meeting in the Chairman's discretion, but the Chairman is under no obligation to accept late proxies.

If the Meeting is adjourned, proxies must be deposited at least 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used or be deposited with the Chair prior to the commencement of the Meeting or any reconvened meeting.

Any registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. A Shareholder who has given a proxy may revoke the proxy: (a) by completing and signing a proxy bearing a later date and depositing it with the registrar and transfer agent noted above; (b) by depositing an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof; or (ii) with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or (c) in any other manner permitted 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 nominees to revoke the proxy on their behalf.**

### **Voting of Proxies**

Each Shareholder may instruct their proxyholder how to vote their Shares by completing the blanks on the proxy. All Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Shares represented by the proxy will be voted in accordance with such specification.

The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments to or variations of matters identified in the form of proxy and Notice of Meeting and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matter or business. At the time of the printing of this Information Circular, the directors of the Corporation knew of no such amendments, variations or other matters.

### **INFORMATION FOR BENEFICIAL SHAREHOLDERS**

**Shares may be registered in the name of CDS & Co. ("CDS") (as nominee of The Canadian Depository for Securities Limited, which acts as a depository for many Canadian brokerage firms).** Shares registered in the name of CDS can only be voted at the Meeting upon the instructions of the beneficial holder (the "**Beneficial Holder**") of those Shares. Therefore, Beneficial Holders should ensure that instructions in respect of the voting of their Shares are communicated to the appropriate party.

In Canada brokers and other intermediaries are required to seek voting instructions from Beneficial Holders in advance of shareholders' meetings. Every broker or other intermediary has its own mailing procedures

and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its broker is identical to that provided to registered shareholders, but its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Holder. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions, Canada (“**Broadridge**”). Broadridge normally prepares a “Voting Instruction Form” based on the Corporation’s form of proxy which it then distributes to Beneficial Holders. **The Voting Instruction Form must be returned to Broadridge by the Beneficial Holder in order for the Beneficial Holder’s voting instructions to be acted upon.** Broadridge will tabulate all instructions received by it and provide appropriate instructions in respect of the voting of the Shares. **A Beneficial Holder who receives a Voting Instruction Form cannot use that form to vote Shares directly at the Meeting. The Voting Instruction Form must be returned to Broadridge well in advance of the Meeting to have the Shares voted at the Meeting.**

## HOW TO VOTE YOUR SHARES

Your vote is important. Please read the information below so that your Shares are properly voted.

You are a non-registered Shareholder if an intermediary such as a securities dealer, broker, bank, trust company or other nominee holds your Shares for you, or for someone else on your behalf, registered in the name of CDS. In accordance with applicable securities laws, the Corporation distributes copies of its Meeting materials to non-registered Shareholders directly or to intermediaries for onward distribution to non-registered Shareholders. As a non-registered Shareholder, you will most likely receive a Voting Instruction Form from Broadridge on behalf of an intermediary. It is also possible, however that, in some cases you may receive a form of proxy directly from the securities dealer, broker, bank, trust company or other nominee holding your Shares.

If you have received a Voting Instruction Form from Broadridge, please complete and submit your vote by phone, internet or mail in accordance with the instructions provided to you on the form prior to the deadline specified by Broadridge.

### **Revoking a Voting Instruction Form or Proxy**

If you wish to revoke a Voting Instruction Form or a form of proxy as to any matter on which a vote has not already been cast pursuant to its authority and you received your Voting Instruction Form from Broadridge, and voted by phone or internet, you may vote again by phone or internet prior to the deadline specified by Broadridge. If you received your Voting Instruction Form from Broadridge and voted by mail, please contact your account service provider at your intermediary for instructions should you wish to revoke your Voting Instruction Form.

## QUORUM

The quorum for the transaction of business at a meeting of shareholders is two persons present and holding or representing by proxy at least 5% in the aggregate of votes attached to all of the issued shares entitled to be voted at the meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

### General

The Corporation is authorized to issue an unlimited number of common shares, without nominal or par value. As of the date of this Information Circular, 102,306,542 Shares are issued and outstanding.

All Shares are of the same class with equal rights and privileges. The Shares are not subject to future calls or assessments and entitle a holder to one vote for each Share held at all meetings of Shareholders.

The record date for the purposes of determining Shareholders entitled to receive notice of the Meeting is May 26, 2021.

### Principal Shareholders

To the knowledge of the directors of the Corporation, as of June 1, 2021, the following persons beneficially own, directly or indirectly, or control or direct, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation:

- (i) Keith Ainsworth, a Director of the Corporation, who owns, of record and beneficially, directly and indirectly (through 165174 Canada Inc. as to 16,145,258 Shares) 17,545,282 Shares, which represents 15.8% of the issued and outstanding Shares.
- (ii) Entre Global Services Inc., which owns, of record and beneficially, 26,039,615 Shares, which represents 25.5% of the issued and outstanding Shares.
- (iii) Alpha North Asset Management, which owns, beneficially, directly and indirectly, or controls or directs 12,409,096 Shares, which represents 12.1% of the issued and outstanding Shares.

This information, not being within the knowledge of the Corporation, is based on information provided to the Corporation and on public filings.

### MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Board, the only matters to be placed before the Meeting are those matters set forth in the accompanying Notice of Meeting relating to: (a) the receipt of the consolidated financial statements of the Corporation for the fiscal years ended December 31, 2018, 2019 and 2020 together with the auditors' reports thereon; (b) the election of directors of the Corporation for the ensuing year; (c) the appointment of Davidson and Company LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year, and the authorization of the directors of the Corporation to fix their remuneration; (d) the approval and confirmation of the Stock Option Plan of the Corporation; (e) the approval and confirmation of By-law No. 1 of the Corporation; and (f) the transaction of such further and other business as may properly come before the Meeting or any adjournment thereof.

#### (a) Financial Statements

The audited financial statements of the Corporation, for the financial years ended December 31, 2018, December 2019 and December 31, 2020 (collectively, the "**Financial Statements**"), together with the Auditors Report thereon will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the Financial Statements. Shareholders may contact the Chief Financial

Officer of the Corporation at [steve.gledhill@delphx.com](mailto:steve.gledhill@delphx.com), to request copies of the Financial Statements. These documents and additional information concerning the Corporation are available on SEDAR at [www.sedar.com](http://www.sedar.com).

**(b) Election of Directors**

The Board currently consists of four directors, all of whom are elected annually. The term of office for each of the present directors of the Corporation expires at the Meeting.

It is proposed that the individuals noted below be nominated for election as directors by the Shareholders at the Meeting. Each director elected will hold office until the next annual meeting of Shareholders of the Corporation or until his successor is duly elected or appointed pursuant to the Articles of the Corporation unless his office is earlier vacated in accordance with the provisions of the applicable provincial *Business Corporations Act* or the Corporation’s Articles.

**Unless otherwise specified, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election of each of the nominees whose names are set forth below, each of whom has been a director since the date indicated below opposite the nominee’s name. It is not contemplated that any of the proposed nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated by management of the Corporation in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.**

The names, experience and residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, the offices held by each in the Corporation, the period served as director and the principal occupation of each are set forth below. The following information relating to the nominees as directors is based on information received by the Corporation from the nominees.

<b>Name, Municipality of Residence</b>	<b>Principal Occupation During Last Five Years</b>	<b>Date Appointed as Director</b>	<b>Number of Shares held</b>
Patrick Wood <sup>(1)</sup>	President, Tormont Group a US and Canada-based Advisory and Merchant Bank	June 1, 2020	2,094,056 <sup>(2)</sup>
A. Gordon Jardin Ontario, Canada	Chief Actuary and Risk Officer of the Corporation	April 25, 2018	5,122,667
Keith Ainsworth <sup>(1)</sup> Ontario, Canada	Corporate director	April 25, 2018	17,545,282 <sup>(3)</sup>
Steven J. Mannik <sup>(1)</sup> Florida, USA	Corporate director. President and Chief Executive Officer of General Re Life Corporation from 2007 to 2016; Executive Vice President and General Manager, Manulife Reinsurance from 2001 to 2007	August 27, 2018	1,166,666

## Notes

- (1) Member of the audit committee.
- (2) Held as to 115,000 shares by Ashtanga Technologies Inc. and as to 6,946 shares by Tormont Group Inc., private companies controlled by Patrick Wood
- (3) Held as to 16,145,258 shares by 165174 Canada Inc., a private company controlled by Keith Ainsworth.

### ***Patrick Wood***

Patrick Wood is the President and CEO of the Corporation. He is a successful capital markets veteran with a career spanning over 25 years in Canada and the United States. His career has included fixed income asset management, structured product creation, and advisory roles at Canadian-owned broker-dealer Midland Walwyn, Vice President roles at both BMO Nesbitt Burns and CIBC World Markets, and Managing Director role at Loewen Ondaatje McCutcheon. More recently he founded Tormont Group a US and Canada-based Advisory and Merchant Bank. Since 2012 Tormont Group has provided capital and supported US and Canadian companies on IPOs, M&A, institutional investor development, and successful market penetration strategy.

### ***A. Gordon Jardin***

Gordon Jardin is a Fellow and past Board Member of the Society of Actuaries, a Fellow of the Canadian Institute of Actuaries and a Member of the American Academy of Actuaries. He has been Chief Executive Officer and Chief Operating Officer of reinsurance companies (Generali USA, PartnerRe Life/Winterthur Re), Vice President and General Manager, Reinsurance for Sun Life of Canada, and, more recently, the Chief Executive Officer of a residential mortgage acquisition and servicing company, Franklin Credit Management Corporation.

### ***Keith Ainsworth***

Keith Ainsworth is an electrical engineer who retired from the role of President and Chief Executive Officer of COM DEV International Ltd. in 2002, after being with the company for 27 years. He continued as Chairman of the Board of Directors of the company until 2009. He is currently the President of Technology Horizons Ltd., a privately held company that invests at an early stage in many successful companies, including Research in Motion, Radarsat International and Orion Network Systems. He is also Chair of the Board for the rare Charitable Research Reserve and is a member of The Board of Governors for Junior Achievement of Waterloo Region.

### ***Steven J. Mannik***

Steven Mannik is a Fellow of the Society of Actuaries and of the Canadian Institute of Actuaries. He served from 2007 to 2016 as the President and Chief Executive Officer of General Re Life Corporation, an affiliate of Berkshire Hathaway, where he headed the group's Decision Analytics (Big Data / Predictive Modelling) initiative. Prior to General Re Life Corporation, he was the Executive Vice President and General Manager of Manulife Reinsurance from 2001 to 2007, with responsibility for all aspects of Manulife's reinsurance business worldwide. Immediately prior to that he was Vice President of Business Development at Manulife from 1999 to 2001. In 2001, he was key to Manulife's acquisition of 1.5 million in-force policies from Daihyaku Mutual of Japan and the significant expansion of Manulife's Japanese operations. From 1988 to 1999, Mr. Mannik was a Principal of Towers Perrin, responsible for global client relationship manager and senior pension consulting. He is a graduate of the University of Waterloo where he earned a Bachelor of Mathematics.

## **Cease Trade Orders**

To the knowledge of management of the Corporation, no proposed director of the Corporation is, as of the date of this Information Circular, or has been, within ten (10) years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued: (i) while that person was acting in such capacity; or (ii) after that person ceased to act in such capacity but which resulted from an event that occurred while that person was acting in such capacity.

## **Bankruptcies**

To the knowledge of management of the Corporation, no proposed director of the Corporation is, as of the date of this Information Circular, or has been, within ten (10) years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such 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.

To the knowledge of management of the Corporation, no proposed director of the Corporation has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **Penalties or Sanctions**

To the knowledge of management of the Corporation, no proposed director of the Corporation 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 other 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.

## **(c) Appointment of Auditors**

It is proposed that Davidson and Company LLP, Chartered Professional Accountants, be appointed as auditors of the Corporation for the ensuing year, and that the directors of the Corporation be authorized to fix their remuneration. Davidson and Company LLP have been the auditors of the Corporation since June 4, 2020.

**It is the intention of the management appointees, if named as proxy, to vote FOR the appointment of Davidson and Company LLP as auditors of the Corporation and the authorization of the directors to fix their remuneration.**

On June 4, 2020, the Corporation's former auditor, Zeifmans LLP, Chartered Professional Accountants, resigned as auditors of the Corporation at the request of the Corporation. On June 4, 2020, a Notice of Change of Auditor was distributed stating that the Corporation appointed Davidson and Company LLP, Chartered Professional Accountants, as auditors of the Corporation and confirming that there were no modified opinions expressed in the former auditor's reports on any of the financial statements of the

Corporation and there were no reportable events (as defined in section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*). On June 12, 2020, Davidson and Company LLP delivered a letter to the Corporation indicating that it had reviewed the Notice of Change of Auditor and was in agreement with the statements contained in such notice.

Attached as Schedule “A” to this Information Circular is a copy of the Reporting Package for Change of Auditor pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*.

#### **(d) Confirmation of Stock Option Plan**

The Corporation's incentive stock option plan (the “**Stock Option Plan**”), attached as Schedule “B” to this Information Circular, has been operated as a "rolling plan", which must be approved on an annual basis under the policies of the TSX Venture Exchange (the “**TSXV**”). Accordingly, Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution, with or without amendment, to approve and confirm the renewal of the Stock Option Plan of the Corporation.

The purpose of the Stock Option Plan is to attract and retain employees, consultants, officers and directors to the Corporation and to motivate them to advance the interests of the Corporation by affording them with the opportunity to acquire an equity interest in the Corporation through options to purchase Shares. The Board may, in accordance with the Stock Option Plan, from time to time, in its discretion, and in accordance with the rules and regulations of the TSXV, grant to directors, officers, employees or consultants (“**Optionee**”) of the Corporation non-transferable options to purchase Shares for a period of up to five (5) years from the date of the grant. Each Option granted under the Stock Option Plan is nonassignable and non-transferable.

The aggregate number of Shares which may be subject to issuance pursuant to options granted under the Stock Option Plan, inclusive of all other stock options outstanding shall be not greater than 10% of the shares issued and outstanding on the date of the grant of such options. Unless authorized by shareholders of the Corporation, the Stock Option Plan, together with all of the Corporation’s other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at any time, in: (a) the number of Shares reserved for issuance pursuant to stock options exceeding 10% of the issued and outstanding Shares; (b) the issuance to insiders, as interpreted in accordance with Canadian securities laws (“**Insider**”), within a one-year period, of a number of Shares exceeding 10% of the issued and outstanding Shares; (c) the issuance to any one Insider, and such Insider's associates, within a one-year period, of a number of Shares exceeding 5% of the issued and outstanding Shares; (d) the issuance to any one consultant, within a one-year period, of a number of Shares exceeding 2% of the issued and outstanding Shares; or (e) the issuance to all persons retained to provide investor relations activities of a number of Shares exceeding 2% of the issued and outstanding Shares in any one-year period.

If any Option granted under the Stock Option Plan expires or terminates for any reason without having been exercised in full, the unpurchased shares subject thereto will again be available for the purpose of the Stock Option Plan. If an Optionee ceases to be engaged as a director, officer, consultant or employee by the Corporation for any reason other than death, such director, officer, consultant or employee shall have such rights to exercise any option not exercised prior to such termination as determined by the Board, up to 90 days after the date of termination. In the case of an Optionee’s death, the Optionee’s legal representatives may, within the lesser of one year from the date of the Optionee's death or the expiry date of the option, exercise that portion of an option granted to the Optionee under the Stock Option Plan, which remains outstanding.

The exercise price of the Shares covered by each Option will be determined by the Board or a committee authorized and directed thereby. The exercise price will not be less than the last closing price of the Shares on the TSXV before the date of the Board's approval of the grant of the options.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Stock Option Plan is as follows:

“BE IT RESOLVED, as an ordinary resolution, that:

1. The stock option plan (the “**Stock Option Plan**”) of the Corporation, substantially in the form attached as Schedule “B” to the information circular of the Corporation dated June 1, 2021 be and is hereby approved and confirmed as the stock option plan of the Corporation;
2. the form of Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any officer or director of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute, deliver and file all such documents and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this resolution and any matters contemplated thereby.”

The Board has concluded that the confirmation of the Stock Option Plan is in the best interests of the Corporation and its Shareholders. Accordingly, the Board unanimously recommends that the Shareholders approve and confirm the Stock Option Plan, by voting in favour of this resolution at the Meeting.

#### **(e) Approval and Confirmation of the Corporation's By-laws**

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to pass an ordinary resolution (the “**By-law Resolution**”), with or without amendment, to approve and confirm By-law No. 1 of the Corporation (“**By-law**”). The By-law is attached as Schedule “C” to this Information Circular. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the By-law Resolution is as follows:

“BE IT RESOLVED, as an ordinary resolution, that:

1. By-law No. 1 of the Corporation, as approved by the board of directors of the Corporation, is hereby approved and confirmed without amendment; and
2. any officer or director of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute, deliver and file all such documents and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this resolution and any matters contemplated thereby.”

The Board has concluded that the By-law Resolution is in the best interests of the Corporation and its Shareholders. Accordingly, the Board unanimously recommends that the Shareholders approve the By-law Resolution, by voting in favour this resolution at the Meeting.

**(f) Other matters**

The Corporation knows of no other matters to be submitted to Shareholders at the Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares they represent in accordance with their judgement on such matters.

**STATEMENT OF EXECUTIVE COMPENSATION**

**Directors and Named Executive Officer Compensation**

National Instrument 51-102 – *Continuous Disclosure Obligations* requires the disclosure of compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to individuals who served in the most recently completed financial year as Chief Executive Officer and Chief Financial Officer, and each of the Corporation’s other three most highly paid executive officers whose compensation was more than \$150,000 (“**Named Executive Officers**”) and directors for the most recently completed financial year.

The following table is a summary of compensation (excluding compensation securities) paid to the Corporation’s Named Executive Officers and directors for the Corporation’s financial years ended December 31, 2020 and 2019.

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 (\$)
Patrick Wood, <i>President &amp; Chief Executive Officer and Director</i> <sup>(1)</sup>	2020	\$40,125 <sup>(2)</sup>	nil	nil	nil	nil	\$40,125
	2019	\$60,000 <sup>(2)</sup>	nil	nil	nil	nil	\$60,000
Patricia Zeigler, <i>Former President &amp; Chief Executive Officer</i> <sup>(3)</sup>	2020	\$15,000	nil	nil	nil	nil	\$15,000
Stephen Gledhill, <i>Chief Financial Officer and Corporate Secretary</i> <sup>(4)</sup>	2020	\$90,000	nil	nil	nil	nil	\$90,000
	2019	nil	nil	nil	nil	nil	nil

Notes

<sup>(1)</sup> Patrick Wood has served as Chief Executive Officer since June 1, 2020.

<sup>(2)</sup> In 2019, \$60,000 in advisory fees was paid to Tormont Group Inc., a company controlled by Patrick Wood. In 2020, of the \$40,125 paid, an aggregate of \$10,000, for June and July 2020, was paid by the issuance of an aggregate of 133,333 common shares at a deemed price of \$0.075 per share.

<sup>(3)</sup> Patricia Zeigler served as Chief Executive Officer until May 31, 2020.

(4) Compensation provided through Keshill Consulting Associates Inc., a company controlled by Stephen Gledhill.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and Named Executive Officer by the Corporation in the most recently completed financial year, for services provided, or to be provided, directly or indirectly, to the Corporation or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	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
Patrick Wood, <i>President &amp; Chief Executive Officer and Director</i> <sup>(1)</sup>	Options	100,000	16-Nov-20	0.15	0.09	0.2	16-Nov-22
	Options	100,000	27-Jul-20	0.15	0.07	0.12	27-Jul-22
	Options	200,000	15-Jun-20	0.15	0.12	0.12	15-Jun-22
Toby Pierce, <i>Director</i> <sup>(2)</sup>	Options	60,000	27-Jul-20	0.15	0.07	0.12	27-July-22
Keith Ainsworth, <i>Director</i>	Options	50,000	16-Nov-20	0.15	0.09	0.12	16-Nov-22
	Options	60,000	27-Jul-20	0.15	0.07	0.12	27-Jul-22
Steven Mannik, <i>Director</i>	Options	50,000	16-Nov-20	0.15	0.09	0.12	16-Nov-22
	Options	60,000	27-Jul-20	0.15	0.07	0.12	27-Jul-22
Larry E. Fondren, <i>Executive Chairman</i> <sup>(3)</sup>	Options	100,000	16-Nov-20	0.15	0.09	0.12	16-Nov-22
	Options	100,000	27-Jul-20	0.15	0.07	0.12	27-Jul-22
Stephen Gledhill, <i>Chief Financial Officer and Corporate Secretary</i>	Options	50,000	16-Nov-20	0.15	0.09	0.12	16-Nov-22
	Options	60,000	27-Jul-20	0.15	0.07	0.12	27-Jul-22
A. Gordon Jardin <i>Chief Actuary</i>	Options	100,000	16-Nov-20	0.15	0.09	0.12	16-Nov-22
	Options	100,000	27-Jul-20	0.15	0.07	0.12	27-Jul-22

#### Notes

<sup>(1)</sup> Patrick Wood has served as Chief Executive Officer since June 1, 2020.

<sup>(2)</sup> Toby Pierce was a Director until December 4, 2020. These issued options expired unexercised and returned to the option pool on March 4, 2021.

<sup>(3)</sup> Larry E. Fondren was Executive Chairman until February 10, 2021. These issued options expired unexercised and returned to the option pool on May 11, 2021.

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

No director or Named Executive Officer exercised any compensation securities, being solely comprised of Options, during the most recently completed financial year.

## **Stock Option Plan**

The Corporation will utilize the Stock Option Plan which permits the reservation of a maximum of 10% of the issued and outstanding shares of the Corporation as of the date of grant of stock options under such plan. The principal terms of the Stock Option Plan are discussed under “*Confirmation of Stock Option Plan*” and a copy of the Stock Option plan is attached as Schedule “B” to this Information Circular.

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

The Corporation has entered into the following agreements and arrangements under which compensation is provided to Named Executive Officers or directors:

### *Patrick Wood, President and Chief Executive Officer*

Patrick Wood entered into an employment agreement dated June 1, 2020 with the Corporation. The agreement provides for a fee of \$5,000 per month for June and July 2020, paid by the issuance of an aggregate of 133,333 common shares at a deemed price of \$0.075 per share.

Tormont Group Inc. entered into a consulting agreement dated August 1, 2020 with the Corporation for the provision of services by Patrick Wood as President and Chief Executive Officer of the Corporation. The agreement provides for a fee of \$5,000 per month.

### *Stephen Gledhill, Chief Financial Officer and Corporate Secretary*

Keshill Consulting Associates Inc. entered into a management services agreement dated January 1, 2020 with the Corporation for the provision of services by Stephen Gledhill as Chief Financial Officer and Corporate Secretary of the Corporation. The agreement provides for an annual fee of \$90,000.

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

The Corporation has not had any revenues from operations. As a result, the Corporation has to consider not only the Corporation’s financial situation at the time of the determination of executive compensation, but also the Corporation’s estimated financial situation in the mid- and long-term.

The Corporation’s executive compensation program is informal at this time and is administered by the Corporation’s Board. The Board informally discusses and approves the executive compensation that is competitive in order to attract, motivate and retain highly skilled and experienced executive officers, to provide fair and competitive compensation, to align the interest of management with those of shareholders and to reward corporate and individual performance.

The Corporation’s executive compensation program has three principal components: base salary, incentive bonuses and incentive stock options.

When appropriate to do so, incentive bonuses in the form of cash payments, are designed to add a variable component of compensation, in addition to stock options, based on corporate and individual performances, and may or may not be awarded in any financial year.

The Corporation notes that it is in a development stage with respect to its business, has to operate with limited financial resources, and must control costs to ensure that funds are available to complete its business plans and otherwise fund its operations. The Board has to consider the current and anticipated financial position of the Corporation at the time of any compensation determination. The Board has attempted to keep the cash compensation paid to the Corporation's Named Executive Officers relatively modest, and will provide long-term incentives through the granting of stock options.

### **Pension Disclosure**

The Corporation does not have any pension plans that provide for payments or benefits to the directors or Named Executive Officers at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Corporation does not have a deferred compensation plan with respect to any director or Named Executive Officer.

### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

Except as set out below, no director or executive officer of the Corporation, proposed director, or any associate of such person, has at any time since January 1, 2020, being the beginning of the Corporation's last financial year, been indebted to the Corporation or is now indebted to the Corporation or any of its subsidiaries or has indebtedness to another entity that is, or at any time since the last financial year been, the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

The following table discloses the indebtedness since the beginning of the financial year ended December 31, 2020, of each individual who is, or was at any time during the financial year, a director or executive officer of the Corporation, is a proposed nominee for election as director, or is an associate of any such director, executive officer or proposed nominee.

#### **Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs**

<b>Name and Principal Position</b>	<b>Involvement of the Corporation or Subsidiary</b>	<b>Largest Amount Outstanding During the Financial Year Ended December 31, 2020</b>	<b>Amount Outstanding as at May 31, 2021</b>	<b>Financially Assisted Securities Purchases During the Financial Year Ended December 31, 2020</b>	<b>Security for Indebtedness</b>	<b>Amount Forgiven During the Financial Year Ended December 31, 2020</b>
Stephen Gledhill, <i>Chief Financial Officer</i>	Loan by subsidiary	\$57,660	\$58,910	nil	Promissory Note and 62,000 common shares of the Corporation	nil

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

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, or of any nominee for election as a director, or of any associate or affiliate of any such persons, in any

matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. Certain directors and officers of the Corporation, and their affiliates, own or control, directly or indirectly, Shares. See "*Matters to be Acted on at the Meeting – Election of Directors*". All of the directors and officers may receive Options pursuant to the Stock Option Plan. See "*Matters to be Acted on at the Meeting – Approval of Stock Option Plan*".

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the best of the Corporation's knowledge, since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation (a director, officer or holder of 10% or more of the Shares) or nominee for election as a director or any associate or affiliate of an informed person or proposed nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **CORPORATE GOVERNANCE**

### **General**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") requires the Corporation to disclose, on an annual basis, its approach to corporate governance with reference to the guidelines provided in National Policy 58-201 - *Corporate Governance Guidelines* (the "**Guidelines**").

The Board and the management of the Corporation ("**management**") recognize that effective governance practices are fundamental to the long-term success of the Corporation. Sound governance contributes to Shareholder value through increased confidence. The Board and management are, therefore, committed to maintaining a high standard of governance in substantial conformity with the Guidelines.

### **Board**

Independence of the Board is essential to the Board fulfilling its role in overseeing the Corporation's business and affairs. The Board facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board. The Board is currently comprised of four (4) directors, two (2) of whom are independent and two (2) of whom are not independent. Steven Mannik and Keith Ainsworth are each independent members in that they do not have a direct or indirect material relationship with the Corporation or one which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.

Patrick Wood and A. Gordon Jardin are not considered independent members as they are all officers of the Corporation. Each of the Directors listed above are being nominated as Directors for the ensuing year.

### **Orientation and Continuing Education**

The Corporation does not currently have an orientation or continuing education program for new directors.

### **Ethical Business Conduct**

The Board is of the view that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

## **Nomination of Directors**

The Board as a whole is responsible for nominating new members of the Board and assessing members of the Board on an ongoing basis. The Board considers succession planning (including appointment of senior management). The Board annually reviews the general and specific criteria to consider when directors are being appointed to the Board. The objective of this review is to recommend that appointments be made to provide the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Corporation. The review takes into account the desirability of maintaining a balance of skills, experience and background, with appropriate diversity, along with the key common characteristics required for effective participation.

## **Compensation**

The Board of Directors, as a whole, reviews the compensation of the Named Executive Officers and the directors.

## **Other Board Committees**

The Board has no standing committees other than the Audit Committee.

## **Assessments**

The Board of Directors takes steps to satisfy itself that the Board of Directors, the Audit Committee and individual directors are performing effectively by providing each director with the opportunity to attend all meetings either in person or by teleconference at the cost of the Corporation.

## **AUDIT COMMITTEE**

### **Audit Committee Charter**

The Audit Committee's mandate is to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and risk management. Attached as Schedule "D" to this Information Circular is the Charter of the Audit Committee.

### **Composition of the Audit Committee**

Assuming all individuals that are nominated for the Board as provided herein are elected to the Board, the members of the Audit Committee of the Corporation will be comprised of three (3) directors, being Patrick Wood, Steven Mannik and Keith Ainsworth, who acts as Chair. Each of the proposed members of the Audit Committee of the Corporation are "financially literate" and "independent" within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110").

### **Relevant Education and Experience**

The following sets out the education and experience of each audit committee member relevant to the performance of his responsibilities as an audit committee member:

#### *Patrick Wood*

Patrick Wood is a successful capital markets veteran with a career spanning over 25 years in Canada and the United States. His career has included fixed income asset management, structured product creation,

and advisory roles at Canadian-owned broker-dealer Midland Walwyn, Vice President roles at both BMO Nesbitt Burns and CIBC World Markets, and Managing Director role at Loewen Ondaatje McCutcheon. More recently he founded Tormont Group a US and Canada-based Advisory and Merchant Bank that since 2012 has provided capital and supported US and Canadian companies on IPOs, M&A, institutional investor development, and successful market penetration strategy.

#### *Keith Ainsworth*

Keith Ainsworth is an electrical engineer who retired from the role of President and Chief Executive Officer of COM DEV International Ltd. in 2002, after being with the company for 27 years. He continued as Chairman of the Board of Directors of the company until 2009. He is currently the President of Technology Horizons Ltd., a privately held company that invests at an early stage in many successful companies, including Research in Motion, Radarsat International and Orion Network Systems.

#### *Steven J. Mannik*

Steven Mannik is a Fellow of the Society of Actuaries and the Canadian Institute of Actuaries and served as the President and Chief Executive Officer at General Re Life Corporation from 2007 to 2016. Prior to General Re Life Corporation, he was the Executive Vice President and General Manager of Manulife Reinsurance from 2001 to 2007, with responsibility for all aspects of Manulife's reinsurance business worldwide. Immediately prior to that he was Vice President of Business Development at Manulife from 1999 to 2001. From 1988 to 1999, Mr. Mannik was a Principal of Towers Perrin, responsible for global client relationship manager and senior pension consulting.

### **Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed fiscal year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services but will review the engagement of all such services.

### **External Auditor Service Fees**

The aggregate fees billed by the Corporation's auditor in the last two fiscal years are as follows:

	<b>Year ended December 31, 2019</b>	<b>Year ended December 31, 2020</b>
Audit fees	\$25,000	\$60,000
Audit-related fees	Nil	Nil
Tax fees	\$16,561	\$6,000
All other fees	Nil	Nil

### **Exemption**

As the Corporation is a venture issuer, it is relying on the exemption provided by section 6.1 of NI 52-110 with respect to the requirements of Part 5 (Reporting Obligations) of NI 52-110, which allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2 and disclosed in in this Information Circular.

## GENERAL

All matters referred to herein for approval by the Shareholders require a majority of the votes cast by Shareholders at the Meeting through the teleconference platform or represented by proxy at the Meeting. The contents and the sending of this Information Circular have been approved by the directors of the Corporation.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is filed under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation is provided in the Corporation's annual audited consolidated financial statements for the fiscal year ended December 31, 2020, the report of the auditors thereon and the accompanying management's discussion and analysis ("**MD&A**"). Securityholders of the Corporation may request a copy of such financial statements and MD&A by contacting the Chief Financial Officer of the Corporation, at the Corporation's head office located at 15 Prince Arthur Ave., Toronto, Ontario, M5R 1B2, or [steve.gledhill@delphx.com](mailto:steve.gledhill@delphx.com).

## APPROVAL OF DIRECTORS

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

Date: June 1, 2021

By order of the Directors,

*"Patrick Wood"*

---

Patrick Wood  
President and Chief Executive Officer

**SCHEDULE "A"**  
**REPORTING PACKAGE FOR CHANGE OF AUDITOR**

See attached

**DELPHX CAPITAL MARKETS INC.  
(the "Corporation")**

**NOTICE OF CHANGE OF AUDITOR**

**TO: ZEIFMANS LLP, CHARTERED PROFESSIONAL ACCOUNTANTS**

**AND TO: DAVIDSON AND COMPANY LLP, CHARTERED PROFESSIONAL ACCOUNTANTS**

**AND TO: BRITISH COLUMBIA SECURITIES COMMISSION  
ONTARIO SECURITIES COMMISSION  
ALBERTA SECURITIES COMMISSION**

**TAKE NOTICE THAT:**

- (a) Effective on June 4, 2020, Zeifmans LLP Chartered Professional Accountants (the "**Former Auditor**") at the request of the Corporation resigned as the Corporation's auditor;
- (b) the Corporation has appointed Davidson and Company LLP, Chartered Professional Accountants (the "**Successor Auditor**") as the auditor of the Corporation, effective June 4, 2020, subject to all applicable regulatory requirements;
- (c) the resignation of the Former Auditor and the recommendation to appoint the Successor Auditor were considered by the Audit Committee and approved by the Board of Directors of the Corporation;
- (d) there were no modified opinions expressed in the Former Auditor's reports on any of the financial statements of the Corporation commencing at the beginning of the two most recently completed fiscal years and ending on December 31, 2018, and in the period to the date of this Notice; and
- (e) in the opinion of the Corporation, there are no reportable events (as defined in section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*).

**DATED** this 4 day of June 2020

**BY ORDER OF THE BOARD**

*"Stephen Gledhill"*

Stephen Gledhill  
Chief Financial Officer

June 12, 2020

**British Columbia Securities Commission**

PO Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC  
V7Y 1L2

**Ontario Securities Commission**

20 Queen Street West, 19<sup>th</sup> Floor, Box 55  
Toronto Ontario  
M5H 3S8

**Alberta Securities Commission**

600, 250 – 5<sup>th</sup> Street SW  
Calgary, AB  
T2P 0R4

**TSX Venture Exchange**

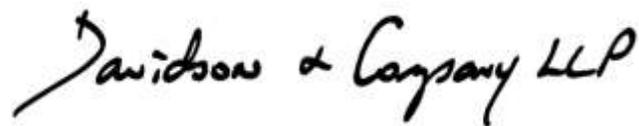
P.O. Box 11633  
Suite 2700 – 650 West Georgia Street  
Vancouver, BC  
V6B 4N9

Dear Sirs / Mesdames:

**Re: DelphX Capital Markets Inc. (the "Company")**  
**Notice Pursuant to NI 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated June 4, 2020, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,



**DAVIDSON & COMPANY LLP**

Chartered Professional Accountants

**cc: TSX Venture Exchange**



June 9, 2020

British Columbia Securities Commission  
P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver BC V7Y 1L2

Ideas  
with  
impact

-and to-

Ontario Securities Commission  
20 Queen Street West, 20<sup>th</sup> Floor  
Toronto ON M5H 3S8

-and to-

Alberta Securities Commission  
Suite 600, 250 – 5<sup>th</sup> St. SW  
Calgary AB T2P 0R4

Dear Sirs/Mesdames,

**Re: DelphX Capital Markets Inc. (the “Corporation”)**  
**Notice Pursuant to National Instrument 51-102 – Change of Auditor**

As required by the National Instrument 51-102 and in connection with our resignation as auditor of the Corporation, we have reviewed the information contained in the Corporation’s Notice of Change of Auditor, dated June 4, 2020 and agree with the information contained therein, based upon our knowledge of the information relating to said notice and of the Corporation at this time.

Yours truly,

*Zeifmans LLP*

Zeifmans LLP  
Chartered Professional Accountants

**SCHEDULE “B”**

**DELPHX CAPITAL MARKETS INC.  
STOCK OPTION PLAN**

**PART 1**

**INTERPRETATION**

1.01 Definitions In this Plan the following words and phrases shall have the following meanings, namely:

- (a) “Award Date” means the date on which the Board grants and announces a particular Option;
- (b) "Board" means the board of directors of the Company and includes any committee of directors appointed by the directors as contemplated by to Section 3.01 hereof;
- (c) "Company" means DELPHX CAPITAL MARKETS INC.;
- (d) “Consultant” means an individual who provides consulting, technical, management or other services to the Company or any of its subsidiaries, and who is permitted by Exchange Policy and by Securities Laws to receive, either directly or through a company, shares or options of the Company in exchange for services;
- (e) "Director" means any director of the Company or of any of its subsidiaries;
- (f) "Employee" means any individual in the employment of the Company or any of its subsidiaries or of a company providing management or administrative services to the Company;
- (g) "Exchange" means the TSX Venture Exchange and any other stock exchange on which the Shares are listed for trading;
- (h) “Exchange Policy” means the policies, bylaws, rules and regulations of the Exchange governing the granting of options by the Company, as amended from time to time;
- (i) “Exercise Notice” means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (j) “Exercise Price” means the price at which an Option may be exercised as determined in accordance with section 4.01;
- (k) “Insider” has the meaning ascribed thereto in the Securities Act;
- (l) "Joint Actor" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 1.9 of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;
- (m) “Option Certificate” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;

- (n) "Option Holder" means a current or former Director, Employee or Consultant who holds an unexercised and unexpired Option;
- (o) "Option Price" means the price at which options may be granted in accordance with Exchange Policy and Securities Laws;
- (p) "Officer" means any senior officer of the Company or of any of its subsidiaries as defined in the Securities Act;
- (q) "Outstanding Issue" is determined by Exchange Policy and by Securities Laws;
- (r) "Plan" means this stock option plan as from time to time amended;
- (s) "Securities Act" means the *Securities Act* (Ontario), R.S.O. 1990, c.S5 as amended from time to time;
- (t) "Securities Laws" means the act, policies, bylaws, rules and regulations of the securities commissions governing the granting of options by the Company, as amended from time to time;
- (u) "Shares" means common shares of the Company;
- (v) "Withholding Obligation" has the meaning set out in Section 11.01 hereof.

1.02 Gender Throughout this Plan, words importing the masculine gender shall be interpreted as including the female gender.

## **PART 2**

### **PURPOSE OF PLAN**

2.01 Purpose The purpose of this Plan is to attract and retain Employees, Consultants, Officers or Directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under this Plan to purchase Shares.

## **PART 3**

### **GRANTING OF OPTIONS**

3.01 Administration This Plan shall be administered by the Board or, if the Board so elects, by a committee (which may consist of only one person) appointed by the Board from its members.

3.02 Committee's Recommendations The Board may accept all or any part of recommendations of the committee or may refer all or any part thereof back to the committee for further consideration and recommendation.

3.03 Grant by Resolution The Board may, by resolution, designate eligible persons who are bona fide Employees, Consultants, Officers or Directors, or corporations employing or wholly-owned by such

Employee, Consultant, Officer or Director, to whom options should be granted and specify the terms of such options which shall be in accordance with Exchange Policy and Securities Laws.

3.04 Terms of Option The resolution of the Board shall specify the number of Shares that should be placed under option to each such Employee, Consultant, Officer or Director, the Option Price to be paid for such Shares upon the exercise of each such option, and the period, including any applicable vesting periods required by Exchange Policy, or by the Board or Committee, during which such option may be exercised. Options granted under the Plan can be exercisable for a maximum of five years.

3.05 Option Certificate Every option granted under this Plan shall be evidenced by an Option Certificate, and all Option Certificates will be so legended as required by Exchange Policy and Securities Laws.

#### PART 4

#### CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS

4.01 Exercise Price The exercise price of an option granted under this Plan shall not be less than the last closing price of the Shares on the Exchange before the date of the Board's approval of the grant of the options.

4.02 Expiry Date Each option shall, unless sooner terminated, expire on a date to be determined by the Board, which shall be not later than five years from the date of grant of the option.

4.03 Different Exercise Periods, Prices and Number The Board may, in its absolute discretion, upon granting an option under this Plan and subject to the provisions of Section 6.03 hereof, specify a particular time period or periods following the date of granting the option during which the optionee may exercise his option to purchase Shares and may designate the exercise price and the number of Shares in respect of which such optionee may exercise his option during each such time period.

4.04 Number of Shares The number of Shares reserved for issuance to any one person pursuant to options granted under this Plan shall not exceed 5% of the outstanding Shares at the time of granting of the options.

4.05 Termination of Employment If a Director, Officer, Consultant or Employee ceases to be so engaged by the Company for any reason other than death, such Director, Officer, Consultant or Employee shall have such rights to exercise any option not exercised prior to such termination as determined by the Board, up to 90 days after the date of termination.

4.06 Death of Optionee If a Director, Officer, Consultant or Employee dies prior to the expiry of his option, his legal representatives may, within the lesser of one year from the date of the optionee's death or the expiry date of the option, exercise that portion of an option granted to the Director, Officer, Consultant or Employee under this Plan, which remains outstanding.

4.07 Assignment No option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an optionee shall have the right to assign any option granted to him hereunder to a trust, RRSP, RESP or similar legal entity established by such optionee.

4.08 Notice Options shall be exercised only in accordance with the terms and conditions of the option certificates under which they are respectively granted and shall be exercisable only by notice in writing to the Company.

4.09 Payment Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an optionee on exercise of an option shall be paid for in cash or cash equivalent in full at the time of their purchase.

4.10 Options to Employees, Consultants or Management Company Employees In the case of options granted to Employees, Consultants or Management Company Employees, the optionee must be a bona-fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or its subsidiary.

## PART 5

### RESERVE OF SHARES FOR OPTIONS

5.01 Sufficient Authorized Shares to be Reserved Whenever the Notice of Articles or Articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of options granted under this Plan. Shares that were the subject of options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this Plan.

5.02 Maximum Number of Shares to be Reserved Under Plan The aggregate number of Shares which may be subject to issuance pursuant to options granted under this Plan, inclusive of all other stock options outstanding shall be not greater than 10% of the shares issued and outstanding on the date of the grant of such options.

5.03 Maximum Number of Shares Reserved Unless authorized by shareholders of the Company, this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at any time, in:

- (a) the number of Shares reserved for issuance pursuant to stock options exceeding 10% of the Outstanding Issue;
- (b) the issuance to Insiders, within a one-year period, of a number of Shares exceeding 10% of the Outstanding Issue;
- (c) the issuance to any one Insider and such Insider's associates, within a one-year period, of a number of Shares exceeding 5% of the Outstanding Issue;
- (d) the issuance to any one Consultant, within a one-year period, of a number of Shares exceeding 2% of the Outstanding Issue; or
- (e) the issuance to all persons retained to provide investor relations activities of a number of Shares exceeding 2% of the Outstanding Issue in any one-year period.

**PART 6**  
**CHANGES IN OPTIONS**

6.01 Share Consolidation or Subdivision In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for option and the price payable for any Shares that are then subject to option shall be adjusted accordingly.

6.02 Stock Dividend In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for option and the price payable for any Shares that are then subject to option may be adjusted by the Board to such extent as they deem proper in their absolute discretion.

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

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

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to section 4.03 shall be reinstated. If any Option Shares are returned to the Company under this section 6.03, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

6.04 Acceleration of Expiry Date If at any time when an Option granted under the Plan remains unexercised with respect to any unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the expiry date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

6.05 Effect of a Change of Control If a Change of Control (as defined below) occurs, all Option Shares subject to each outstanding Option will become vested, whereupon such Option may be exercised in whole or in part by the Optionee. "Change of Control" means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.

## PART 7

### SECURITIES LAWS AND EXCHANGE POLICIES

7.01 Exchange's Rules and Policies Apply This Plan and the granting and exercise of any options hereunder are also subject to such other terms and conditions as are set out from time to time in the Securities Laws and Exchange Policies and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern. In the event that the Company's listing changes from one tier to another tier on a stock exchange or the Company's shares are listed on a new stock exchange, the granting of options shall be governed by the rules and policies of such new tier or new stock exchange and unless inconsistent with the terms of this Plan, the Company shall be able to grant options pursuant to the rules and policies of such new tier or new stock exchange without requiring shareholder approval.

## PART 8

### AMENDMENT OF PLAN

8.01 Board May Amend The Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the optionees concerned, affect the terms and conditions of options previously granted under this Plan which have not then been exercised or terminated.

8.02 Exchange Approval Any amendment to this Plan or options granted pursuant to this Plan shall not become effective until such Exchange and shareholder approval as is required by Exchange Policy and Securities Laws has been received.

8.03 Amendment to Insider's Options Any amendment to Options held by Insiders of the Company at the time of the amendment, which results in a reduction in the exercise price of the options, is conditional upon the obtaining of disinterested shareholder approval to that amendment.

## PART 9

### EFFECT OF PLAN ON OTHER COMPENSATION OPTIONS

9.01 Other Options Not Affected This Plan is in addition to any other existing stock options granted prior to and outstanding as at the date of this Plan and shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Consultants and Employees.

## PART 10

### OPTIONEE'S RIGHTS AS A SHAREHOLDER

10.01 No Rights Until Option Exercised An optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to him upon exercise of an option.

**PART 11****WITHHOLDING OBLIGATIONS**

11.01 In connection with the Company's obligations to withhold and remit taxes to the Canada Revenue Agency, and/or other applicable taxing authorities, on benefits realized by Directors, Officers and Employees who exercise Options of the Company ("Withholding Obligation"), the Company requires that, at the discretion of the Company, in reasonable consultation with a Director, Officer or Employee exercising an Option:

- (a) Any Director, Officer or Employee who is exercising an Option shall remit sufficient funds to the Company to fund the exercise price and the Withholding Obligation; or
- (b) The Company shall hold back sufficient Shares from the Director, Officer or Employee who is exercising the Option to fund the Withholding Obligation.

**PART 12****EFFECTIVE DATE OF PLAN**

12.01 Effective Date This Plan shall become effective upon the later of the date of acceptance for filing of this Plan by the Exchange or the approval of this Plan by the shareholders of the Company, however, options may be granted under this Plan prior to the receipt of approval by shareholders and acceptance from the Exchange.

Schedule A

**DELPHX CAPITAL MARKETS INC.  
STOCK OPTION PLAN**

**OPTION CERTIFICATE**

This certificate is issued pursuant to the provisions of the DelphX Capital Markets Inc. (the "Company") Stock Option Plan (the "Plan") and evidences that (*Name of Optionee*) \_\_\_\_\_ is the holder of an option (the "Option") to purchase up to \_\_\_\_\_ (*Number of Shares*) common shares (the "Shares") in the capital stock of the Company at a purchase price of \$\_\_\_\_\_ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is \_\_\_\_\_ (*insert date of grant*); and
- (b) the Expiry Date of this Option is \_\_\_\_\_ (*insert date of expiry*).

Additional Vesting or Other Restrictions: (insert as applicable)

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Toronto time) on the Expiry Date, by delivering to the Company an Exercise Notice, in the form provided in the Plan, together with this certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised **PLUS** the Withholding Obligation, as determined by the Company.

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**DELPHX CAPITAL MARKETS INC.**

by its authorized signatory:

\_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

Schedule B

**EXERCISE NOTICE**

TO: DELPHX CAPITAL MARKETS INC. (the "Company")

AND TO: THE BOARD OF DIRECTORS

The undersigned hereby irrevocably gives notice, pursuant to the Company's Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

(a) all of the Shares; or

(b) \_\_\_\_\_ of the Shares, which are the subject of the Option Certificate attached hereto.

Calculation of total Exercise Price:

(i) number of Shares to be acquired on exercise: \_\_\_\_\_ Shares

(ii) multiplied by the Exercise Price per Share: \$ \_\_\_\_\_

TOTAL EXERCISE PRICE, enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a certified cheque or bank draft in an amount equal to the total Exercise Price of the aforesaid Shares, as calculated above, **PLUS** the Withholding Obligation, as calculated by the Company, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Option Holder (please print)

## SCHEDULE "C"

### BY-LAW NO. 1

A by-law relating generally to the conduct of the business and affairs of

**DELPHX CAPITAL MARKETS INC.**  
(the "Corporation")

A corporation subject to the *Business Corporations Act* (Ontario)

#### SECTION 1– INTERPRETATION

##### 1.1 Definitions

In the By-laws of the Corporation, unless the context otherwise requires:

- (1) **“Act”** means the *Business Corporations Act* (Ontario), or any statute that may be substituted for it, as from time to time amended.
- (2) **“Articles”** means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution, articles of revival and includes any amendments thereto of the Corporation;
- (3) **“appoint”** includes “elect” and *vice versa*.
- (4) **“Board”** means the board of Directors of the Corporation.
- (5) **“By-laws”** means these by-laws and all other by-laws of the Corporation from time to time in force and effect.
- (6) **“Corporation”** means DelphX Capital Markets Inc.
- (7) **“Director”** means a member of the Board.
- (8) **“meeting of shareholders”** means an annual meeting of shareholders and a special meeting of shareholders.
- (9) **“non-business day”** means Saturday, Sunday and any other day that is a holiday as defined in the *Legislation Act, 2006* (Ontario) as from time to time amended.
- (10) **“recorded address”** means:
  - (a) in the case of a shareholder, his or her address as recorded in the securities register;
  - (b) in the case of joint shareholders, the address appearing in the securities register in respect of the joint holding or the first address so appearing if there is more than one;
  - (c) in the case of an officer, auditor or member of a committee of the Board, his or her latest address as recorded in the records of the Corporation; and

- (d) in the case of a Director, his or her latest address as recorded in the most recent notice filed under the *Corporations Information Act* (Ontario).
- (11) “special meeting of Shareholders” includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders.

## **1.2 Other Definitions**

Other than as specified above, words and expressions defined in the Act have the same meanings when used herein. Words importing the singular number include the plural and *vice versa*; words importing gender include the masculine, feminine and neuter genders; and “including” means including, without limitation.

## **SECTION 2 – GENERAL BUSINESS**

### **2.1 Registered Office**

The registered office of the Corporation shall be in the municipality or geographic township within Ontario initially specified in its Articles and thereafter as the shareholders may from time to time determine by special resolution and at such location therein as the Board may from time to time determine.

### **2.2 Corporate Seal**

The Corporation may but need not adopt a corporate seal and, if one is adopted, it may be changed from time to time by resolution of the Board.

### **2.3 Financial Year**

The Board may, by resolution, fix the financial year end of the Corporation and may from time to time, by resolution, change the financial year end of the Corporation.

### **2.4 Banking Arrangements**

Banking transactions will be made with the bank(s) or other financial institution(s) approved by the Board from time to time, and banking transactions will be made on the Corporation’s behalf by the director(s), officer(s) or other person(s) designated, directed or authorized by the Board from time to time and to the extent so designated, directed or authorized.

### **2.5 Execution of Instruments**

- 1) Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any two officers or Directors of the Corporation or any Director acting together with any officer of the Corporation.
- 2) In addition, the Board may from time to time direct the manner in which, and the person or persons by whom any particular, or general class of, instruments may be signed on behalf of the Corporation.
- 3) Any officer or Director may sign certificates and similar instruments on the Corporation’s behalf with respect to any factual matters relating to the Corporation’s business and affairs, including

certificates verifying copies of the Articles, By-laws, resolutions and minutes of meetings of the Corporation. Any signing officer may affix the corporate seal to any instrument requiring the same.

- 4) The signature of any person authorized to sign on behalf of the Corporation may be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced or may be an electronic signature. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the Board.

## **SECTION 3 – DIRECTORS AND BOARD MEETINGS**

### **3.1 Election and Term**

Directors shall be elected by the shareholders at the first meeting of shareholders after the effective date of these By-laws and at each succeeding annual meeting at which an election of Directors is required, and shall hold office until the next annual meeting of shareholders or, if elected for an expressly stated term, for a term expiring not later than the close of the third annual meeting of shareholders following the election.

### **3.2 Number of Directors**

The number of Directors of the Corporation shall be the number of Directors as specified in the Articles or, where a minimum and maximum number of directors is provided for in the Articles, the number of Directors of the Corporation shall be the number of Directors determined from time to time by special resolution or, if a special resolution empowers the directors to determine the number, the number of Directors determined by resolution of the Board. So long as the Corporation is a distributing corporation, any of the issued securities of which remain outstanding and are held by more than one person, the board shall consist of not fewer than three Directors, at least two of whom are not officers or employees of the Corporation or its affiliates.

### **3.3 Remuneration of Directors**

The Board may fix the remuneration of the Directors of the Corporation.

### **3.4 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the Directors is not invalid merely because fewer than the number of Directors set or otherwise required under the Articles of the Corporation is in office.

### **3.5 Qualifications of Directors**

No person shall be qualified for election as a Director if such person is less than 18 years of age, has been found under the *Substitute Decisions Act, 1992* (Ontario) or under the *Mental Health Act* (Ontario) to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere, is not an individual, or has the status of a bankrupt. A person elected as a Director shall consent in writing to act as a Director as required by the Act. Subject to the Act, at least 25 per cent of the Directors shall be resident Canadians, or if the number of Directors is fewer than four, at least one Director shall be a resident Canadian.

### **3.6 Borrowing Powers**

The Directors of the Corporation may, without authorization of the shareholders,

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

### **3.7 Annual Meetings**

Subject to the Act, the Board shall call an annual meeting of shareholders not later than eighteen months after the Corporation comes into existence and subsequently not later than fifteen months after holding the last preceding annual meeting.

### **3.8 First Meeting of New Board**

As long as a quorum of Directors is present, each newly elected Board may without notice hold its first meeting immediately following the meeting of shareholders at which such Board is elected.

### **3.9 Meeting by Telephone or Electronic Facilities**

If all the Directors of the Corporation consent thereto generally or in respect of a particular meeting, a Director may participate in a meeting of the Board or of a committee of the Board by means of such telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, and a Director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board.

### **3.10 Calling of Meetings**

Board meetings shall be held from time to time at such time and at such place as the Board, the Chair of the Board, the President or any two Directors may determine.

### **3.11 Notice of Meeting**

Notice of the time and place of each Board meeting shall be given to each Director not less than 48 hours before the time when the meeting is to be held.

### **3.12 Waiver of Notice**

A Director may in any manner or at any time waive notice of or otherwise consent to a Board meeting. Attendance of a Director at a Board meeting shall constitute a waiver of notice of that meeting except where a Director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been properly called.

### **3.13 Adjourned Meeting**

The chair of a meeting of the Board may, with the consent of the Directors present, adjourn the meeting to a fixed time and place. If there is a quorum at the adjourned meeting, the meeting will be considered duly constituted and the Board may deliberate and transact business in accordance with the procedures established at the original meeting. The Directors constituting a quorum at the original meeting need not constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the meeting will be deemed to have ended at the original meeting at which the chair declared the adjournment.

### **3.14 Chair and Secretary**

The chair of any Board meeting shall be the Director present at the meeting who holds the office of Chair of the Board or President. If no such officer is present, the Directors present shall choose one of their number to be chair. The secretary of the Corporation shall act as secretary of any Board meeting, and, if the secretary of the Corporation is absent, the chair of the meeting shall appoint a person who need not be a Director to act as secretary of the meeting.

### **3.15 Quorum**

Two (2) Directors constitutes a quorum at a Board meeting.

### **3.16 Votes to Govern**

At all Board meetings, every question shall be decided by a majority of the votes cast on the question, and in case of an equality of votes, the chair of the meeting shall not be entitled to a second or casting vote.

### **3.17 Resolution in Lieu of Meeting**

A resolution in writing, signed by all the Directors entitled to vote on that resolution at a Board meeting, is as valid as if it had been passed at a Board meeting.

## **SECTION 4 – COMMITTEES**

### **4.1 Committees of the Board**

The Board may appoint from its members one or more committees of Directors, however designated, and delegate to any committee of the Board any of the powers of the Board except those which, under the Act, a committee of the Board has no authority to exercise.

### **4.2 Transaction of Business**

The powers of a committee of the Board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of that committee who would have been entitled to vote on that resolution at a meeting of that committee. Meetings of any committee may be held at any place within or outside Ontario.

### **4.3 Advisory Bodies**

The Board may appoint one or more advisory bodies. Membership in any advisory body appointed by the Board will not in itself confer any right to receive notices of or attend meetings of the Corporation's Directors or shareholders.

#### **4.4 Procedure**

Unless otherwise determined by the Board, each committee and each advisory body will have the power to:

- (a) fix its quorum at not less than a majority of its members;
- (b) elect its chair; and
- (c) regulate its procedure.

#### **4.5 Audit Committee**

The Corporation will have an audit committee, composed of not fewer than three Directors of the Corporation, a majority of whom are not officers, employees or control persons of the Corporation or any of its affiliates, to hold office until the next annual meeting of Shareholders. The audit committee will review the financial statements of the Corporation and will report on them to the Board before they are approved by the Board. The Corporation's auditor is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard at every meeting of the audit committee, and, if requested by a member of the audit committee, will attend every meeting of the audit committee held during the term of office of the auditor.

#### **4.6 Calling Meetings of Audit Committee**

The auditor of the Corporation, or a member of the audit committee, may call a meeting of the audit committee.

#### **4.7 Right of Auditor to be Heard**

The auditor of the Corporation is entitled to attend at the expense of the Corporation and be heard at meetings of the Board on matters relating to the auditor's duties.

### **SECTION 5 – OFFICERS**

#### **5.1 Appointment**

The Board may from time to time designate the offices of the Corporation and from time to time appoint a Chair of the Board, President, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The Board may specify the duties of and, in accordance with these By-laws and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Except for the Chair of the Board, an officer may but need not be a Director.

#### **5.2 Chair of the Board**

The Board may from time to time appoint a Chair of the Board who shall be a Director. If appointed, the Board may assign to the Chair of the Board any of the powers and duties that are by any provisions of these By-laws assigned to the President. The chair shall have such other powers and duties as the Board may specify.

### **5.3 President**

If appointed, the President shall be the chief executive officer and, subject to the authority of the Board, shall have general supervision of the business and affairs of the Corporation. The President shall have such other powers and duties as the Board may specify.

### **5.4 Secretary**

Unless otherwise determined by the Board, the secretary shall attend and be the secretary of all meetings of the Board, shareholders and committees of the Board that he or she attends. The secretary shall enter or cause to be entered in records kept for that purpose minutes of all proceedings at meetings of the Board, shareholders and committees of the Board, whether or not he or she attends such meetings. The secretary shall give or cause to be given, as and when instructed, all notices to shareholders, Directors, officers, auditors and members of committees of the Board. The secretary shall be the custodian of the seal of the Corporation and of all books, records and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose. The secretary shall have such other powers and duties as otherwise may be specified.

### **5.5 Powers and Duties of Officers**

The powers and duties of all officers shall be such as the terms of their engagement call for or as the Board or (except for those whose powers and duties are to be specified only by the Board) the chief executive officer may specify. The Board and (except as aforesaid) the chief executive officer may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

## **SECTION 6 – PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

### **6.1 Indemnity**

(1) The Corporation shall indemnify a Director or officer of the Corporation, a former Director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a Director or officer (or an individual acting in a similar capacity) of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

(2) The Corporation shall advance monies to a Director, officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 6.1(1). The individual shall repay the monies if he or she does not fulfil the conditions of Section 6.1(3).

(3) The Corporation shall not indemnify an individual under Section 6.1(1) unless he or she:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a Director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

(4) The Corporation shall also indemnify the individual referred to in Section 6.1(1) in such other circumstances as the Act or law permits or requires. Nothing in these By-laws shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of these By-laws.

## **6.2 Insurance**

Subject to the Act, the Corporation may purchase and maintain such insurance for the benefit of any individual referred to in Section 6.1(1) as the Board may from time to time determine.

## **SECTION 7 – SECURITIES**

### **7.1 Register of Transfers**

The Corporation shall cause to be kept a register of transfers in which all transfers of shares of the Corporation in registered form and the date and other particulars of each transfer shall be set out.

### **7.2 Registration of Transfers**

Subject to the *Securities Transfer Act, 2006* (Ontario), no transfer of a share of the Corporation shall be registered in a securities register except (a) on presentation of the certificate, if any issued by the Corporation, representing the share with an endorsement that compiles with *the Securities Transfer Act, 2006* (Ontario) made on or delivered with it duly executed by an appropriate person as provided by the *Securities Transfer Act, 2006* (Ontario), together with such reasonable assurance that the endorsement is genuine and effective as the Board may from time to time require, (b) on payment of all applicable taxes and any reasonable fees required by the Board, (c) on compliance with the restrictions on issue, transfer or ownership authorized by the Articles.

### **7.3 Dealing with Registered Holders**

Subject to the Act, the Corporation may treat the registered holder of any share of the Corporation as the person exclusively entitled to vote, to receive any divided or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

### **7.4 Dealing with Registered Holders**

Subject to the Act, the Corporation may treat the registered holder of any share of the Corporation as the person exclusively entitled to vote, to receive any divided or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

### **7.5 Options or Rights**

Subject to the Act and the Articles, the Board may from time to time issue or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, except that no share shall be issued until it is fully paid as provided by the Act.

### **7.6 Security Certificates**

Every holder of one or more securities of the Corporation shall be entitled, at his or her option, to a security certificate or to a non-transferable written certificate of acknowledgement of his or her right to obtain a security certificate, stating the number and class or series of shares held by him or her as shown in the

securities register. The certificates shall be in such form as the Board may from time to time approve and need not be under the corporate seal. Unless otherwise ordered by the Board, any such certificate shall be signed by one or more of the Directors or officers of the Corporation, or the signature shall be printed or otherwise mechanically reproduced on the certificate.

## **SECTION 8 – MEETINGS OF SHAREHOLDERS**

### **8.1 Meeting Held by Electronic Means**

- 1) Any person entitled to attend a meeting of shareholders may vote and otherwise participate in the meeting by means of a telephonic, electronic or other communication facility made available by the Corporation that permits all participants to communicate adequately with each other during the meeting. A person participating in a meeting of shareholders by such means is deemed to be present at the meeting.
- 2) Directors who call (but not shareholders who requisition) a meeting of shareholders may determine that:
  - (a) the meeting shall be held, in accordance with the regulations, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting; and
  - (b) any vote shall be held, in accordance with the regulations, entirely by means of a telephonic, electronic or other communication facility that the Corporation has made available for that purpose.
- 3) Any vote at a meeting of shareholders may be carried out by means of a telephonic, electronic or other communication facility, if the facility:
  - (a) enables the votes to be gathered in a manner that permits their subsequent verification; and
  - (b) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each shareholder or group of shareholders voted.

### **8.2 Notice of Meeting**

Subject to paragraph 8.3, notice of the time and place of any meeting of shareholders must be sent within the prescribed period in the manner described in paragraph 9.1 to each shareholder of the Corporation entitled to vote at the meeting, to each Director and to the auditor of the Corporation.

### **8.3 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. A shareholder of the Corporation or any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders, and their attendance at a meeting of shareholders is a waiver of notice of the meeting, except where they attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### **8.4 Record Date for Notice**

The Directors may fix in advance a date as the record date for the purpose of determining shareholders entitled to receive notice of a meeting of shareholders or entitled to vote at a meeting of shareholders in accordance with the requirements of the Act.

#### **8.5 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of the shareholders shall be those entitled to attend or vote at the meeting, the Directors, auditor, legal counsel of the Corporation and others who, although not entitled to attend or vote, are entitled or required under any provision of the Act, the Articles or By-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

#### **8.6 Quorum**

Subject to the Act and the Articles, the quorum for the transaction of business at a meeting of shareholders is two persons present in person and holding or representing by proxy at least 5% in the aggregate of votes attached to all of the issued shares entitled to be voted at the meeting. A quorum need not be present throughout the meeting provided that a quorum is present at the opening of the meeting. If a quorum is not present at the time appointed for the meeting or within a reasonable time after that the shareholders may determine, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

#### **8.7 Chair and Secretary**

The chair of any meeting of shareholders shall be the Director present at the meeting who holds the office of Chair of the Board or President. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Corporation is absent, the chair shall appoint a person, who need not be a shareholder, to act as secretary of the meeting.

#### **8.8 Votes to Govern**

At any meeting of shareholders, every question shall, unless otherwise required by the Articles, By-laws, or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes at any meeting of shareholders either on a show of hands or on a poll, the chair of the meeting shall not be entitled to a second or casting vote.

#### **8.9 Show of Hands**

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot is required or demanded. On a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands has been taken on a question, unless a ballot is demanded, an entry in the minutes of a meeting of shareholders to the effect that the chair declared a resolution to be carried or defeated is, in the absence of proof to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

## **8.10 Ballots**

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken on it, the chair may require a ballot or any person who is present and entitled to vote on the question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time before the ballot is taken. If a ballot is taken, each person present shall be entitled, in respect of the shares which he or she is entitled to vote at the meeting on the question, to that number of votes provided by the Act or the Articles, and the result of the ballot so taken shall be the decision of the shareholders on the question.

## **8.11 Resolution in Lieu of Meeting**

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless, in accordance with the Act:

- (a) In the case of the resignation or removal of a Director, or the appointment or election of another person to fill the place of that Director, a written statement is submitted to the Corporation by the Director giving the reasons for his or her resignation or the reasons why he or she opposes any proposed action or resolution for the purpose of removing him or her from office or the election of another person to fill the office of that Director; or
- (b) In the case of the removal or resignation of an auditor, or the appointment or election of another person to fill the office of auditor, representations in writing are made to the Corporation by that auditor concerning its proposed removal, the appointment or election of another person to fill the office of auditor or its resignation.

## **8.12 Only One Shareholder**

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

## **SECTION 9 – NOTICES**

### **9.1 Method of Giving Notices**

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations, the Articles, the By-laws, or otherwise to a shareholder, Director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if mailed to him or her at his or her recorded address by prepaid, ordinary or air mail, or if sent to him or her at his or her recorded address by means of any telephonic, electronic or other communication facility. A notice so delivered shall be deemed to have been given when it is delivered personally and a notice so mailed shall be deemed to have been given on the fifth day after it is deposited in a post office or public letter box. A notice sent by any means of electronic or recorded telephonic communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency. The secretary may change or cause to be changed the recorded address of any shareholder, Director, officer, auditor or member of a committee of the Board in accordance with any information believed by him or her to be reliable.

## **SECTION 10 – EFFECTIVE DATE**

### **10.1 Effective Date**

These By-laws shall come into force when made by the Board in accordance with the Act.

### **10.2 Repeal**

All previous By-laws of the Corporation are repealed as of the coming into force of these By-laws. The repeal shall not affect the previous operation of any By-laws so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any Articles or predecessor charter documents of the Corporation obtained pursuant to, any such By-laws before its repeal. All officers and persons acting under any By-laws so repealed shall continue to act as if appointed under the provisions of these By-laws, and all resolutions of the shareholders or the Board or a committee of the Board with continuing effect passed under any repealed By-laws shall continue to be good and valid except to the extent inconsistent with these By-laws and until amended or repealed.

## **SCHEDULE “D”**

### **CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS (the “Board”) OF DELPHX CAPITAL MARKETS INC.**

#### **1.0 Purpose of the Committee**

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

#### **2.0 Members of the Committee**

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

2.2 Each Member of the Audit Committee must be "financially literate" as defined under National Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

#### **3.0 Meeting Requirements**

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

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

#### **4.0 Duties and Responsibilities**

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

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

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

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

## **5.0 Miscellaneous**

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.