

NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
OF
ESE ENTERTAINMENT INC.

Dated Effective October 13, 2021

ESE ENTERTAINMENT INC.

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of ESE Entertainment Inc. (the “**Company**”) will be held at 11:00 a.m. PST on Wednesday, November 17, 2021, at 6th Floor – 905 West Pender Street, Vancouver, BC V6C 1L6 for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal years ended October 31, 2020 and June 30, 2020, together with the auditors’ reports thereon;
2. to set the number of directors at five (5);
3. to elect directors for the ensuing year;
4. to appoint Crowe MacKay LLP as the auditors for the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. to pass an ordinary resolution to approve the Company’s Equity Incentive Plan; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the information circular (the “**Circular**”), which is attached to this Notice of Meeting. Shareholders may be asked to consider other items of business that may be properly brought before the meeting.

Accompanying the Notice of Meeting is a proxy or voting instruction form (“**VIF**”), as applicable, enabling you to vote at the Meeting. Please review the Circular prior to voting.

We remind shareholders that in light of the ongoing concerns related to the COVID-19 pandemic and the limitations on public gatherings the Company is encouraging shareholders and guests not to attend the Meeting in person. Instead, shareholders are encouraged to vote on the matters before the Meeting by proxy.

Dated at Vancouver, British Columbia, this 13th day of October, 2021

ON BEHALF OF THE BOARD OF DIRECTORS,

“Konrad Wasiela”

Konrad Wasiela
CEO and Director

ESE ENTERTAINMENT INC.

Management Information Circular

Dated: October 13, 2021

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of ESE Entertainment Inc. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of shareholders of the Company to be held at 11:00 a.m. PST on Wednesday, November 17, 2021, at 6th Floor, 905 West Pender Street, Vancouver, BC V6C 1L6 and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting.

The board of directors of the Company (the “**Board of Directors**”) has fixed the record date for the Meeting as of the close of business on October 13, 2021 (the “**Record Date**”). Shareholders of record as of the Record Date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date.

We remind shareholders that in light of the ongoing concerns related to the COVID-19 pandemic and the limitations on public gatherings the Company is encouraging shareholders and guests not to attend the Meeting in person. Instead, shareholders are encouraged to vote on the matters before the Meeting by proxy.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers or regular employees of the Company, none of whom will receive extra compensation for these activities. The cost of this solicitation will be borne by the Company.

If you are a Registered Shareholder, you can vote in person at the Meeting or by proxy as explained below. If you are a Beneficial Shareholder, follow the instructions provided by your Intermediary.

Appointment of Proxies

As a Registered Shareholder, you may wish to vote by proxy whether or not you are able to attend the Meeting in person.

The persons named in the accompanying form of proxy (the “**Proxy**”) are directors or officers of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder of the Company) to attend and represent him or her at the Meeting, other than those persons named in the enclosed form of proxy. A shareholder who wishes to appoint some other person to present him or her at the Meeting may do so either by inserting that other person's name in the blank space provided in the form of proxy and signing the form of proxy, or by completing another proper form of proxy.**

Voting by Proxy

Your Shares will be voted for or against or withheld from voting on each item listed on the proxy in accordance with your instructions on your proxy.

If you do not specify how you want to vote on any item listed on the Proxy, the directors or officers named in the Proxy will vote the Shares represented by the proxy FOR the approval of that item.

If you choose to appoint someone other than the directors or officers named in the Proxy to vote on your behalf at the Meeting, he or she will vote your Shares in accordance with your instructions. On items for which you do not specify how you want to vote, your proxyholder will vote your Shares as he or she sees fit.

The Proxy also gives discretionary authority to the proxyholder, whether a director or officer of the Company or a person named by you, to vote your Shares as he or she sees fit on any other matter that may properly come before the Meeting.

Registered Shareholders

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

- (a) completing, dating and signing the Proxy or some other suitable form of proxy and returning it by mail to the Company's transfer agent, Endeavor Trust Corporation ("**Endeavor**") at Suite 702, 777 Hornby Street, Vancouver, BC V6Z 1S4; or
- (b) calling 604-559-8908 and following the instructions;
- (c) email to proxy@endeavortrust.com; or
- (d) www.eproxy.ca

The proxy must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders are non-registered holders whose Shares are not registered in their own names ("Beneficial Shareholders**").**

The Shares of a Beneficial Shareholder will be registered in the name of one of the following:

- (a) an intermediary that you deal with in respect of your Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) a clearing agency (such as The Canadian Depository for Securities Limited in Canada or Cede & Co. in the United States) of which your intermediary is a participant,

all of which are referred to as "**Intermediaries**" in this Circular.

National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*

("NI 54-101") requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Without specific instructions, Intermediaries are prohibited from voting Shares held for Beneficial Shareholders. The various Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The voting instruction form supplied to a Beneficial Shareholder by its Intermediary is substantially similar to the form of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the Intermediary) how to vote on behalf of the Beneficial Shareholder.

The vast majority of Intermediaries now delegate responsibility of obtaining voting instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails the VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate their voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge VIF cannot use the VIF to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted.

If you are a Beneficial Shareholder who has received a VIF and you wish to attend the Meeting or have someone else attend on your behalf, you may complete the appointment section of the VIF, inserting the name of the person (yourself or someone else) whom you wish to appoint to attend and vote your Shares at the Meeting. **Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered. If you have any questions respecting the voting of shares held through your broker or other Intermediary, please contact your broker or other Intermediary for assistance.**

Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities that they own ("**Objecting Beneficial Owners**" or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**").

This Circular and related Meeting materials are being sent directly to registered holders and indirectly to beneficial owners of common shares of the Company in accordance with NI 54-101. Further, as the Company does not intend to pay proximate intermediaries to send the Meeting materials to Objecting Beneficial Owners of common shares of the Company, also in accordance with NI 54-101 and Form 54-101F7, *Request for Voting Instructions Made by Intermediary*, Objecting Beneficial Owners will not receive the materials unless the Objecting Beneficial Owners' intermediaries assume the cost of delivery.

Revocation of Proxy

A Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder or its attorney authorized in writing may revoke a proxy by an instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited with the offices of Endeavor at Suite 702, 777 Hornby Street, Vancouver, BC V6Z 1S4 not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the Meeting (or an adjournment of the Meeting at which the proxy is to be used), or with the chair of the Meeting on the day of the Meeting. Any revocation made or delivered at the Meeting or any adjournment thereof will be valid only with respect to matters not yet dealt with at the time such revocation is received by the chairman or the scrutineer of the Meeting.

Only Registered Shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change his or her vote must provide instructions in advance of the cut-off date specified by the Intermediary, so that the Intermediary can change the voting instructions on the Beneficial Shareholder's behalf.

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

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as set out herein.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Shares. As at the date of this Circular, there are 59,356,199 common shares (each, a “Share”) issued and outstanding, with each Share entitled to one vote at the Meeting. October 13, 2021 has been fixed by the Board of Directors as the record date for the purpose of determining those Shareholders entitled to receive notice of and to vote at the Meeting.

To the knowledge of the directors and senior officers of the Company, as at the date hereof, there are no persons that beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Shares of the Company, except the following:

Name	No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares(1)
Konrad Wasiela	17,357,333	29.2%

Notes:

- (1) Based on the 59,356,199 Shares issued and outstanding as of the date of this Circular.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors, the only matters to be placed before the Meeting are those matters set forth in the accompanying Notice of Meeting.

Presentation of the Audited Financial Statements for the Years ending October 31, 2020 and June 30, 2020.

The annual financial statements of the Company for the financial years ended October 31, 2020 and June 30, 2020, together with the reports of the auditors thereon, and the related management discussion and analysis will be placed before the Shareholders at the Meeting. The annual financial statements of the Company were filed under the Company's profile at www.sedar.com and mailed to Shareholders in accordance with applicable laws and written instructions received from Shareholders or Intermediaries. Additional copies may be obtained from the Company upon request and will be available at the Meeting. No action is required to be taken at the Meeting with respect to the financial statements.

I. Election of Directors

The Board of Directors is currently composed of five directors. At the Meeting, management proposes to nominate each of the persons named below for election as directors to hold office until the next annual general meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company's articles.

Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the election of the five management nominees named in the table below.

The following table sets out the names of persons nominated by management for election as directors, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Circular:

Name of Proposed Nominee, Province, Country of Residence and Proposed Position with the Company	Director Since	Principal Occupation During Last Five Years	Number of Shares Controlled⁽¹⁾
Konrad Wasiela⁽²⁾ British Columbia, Canada <i>Director and Chief Executive Officer</i>	August 12, 2020	Director and CEO of the Company since August 12, 2020; director and CEO of ESE Entertainment Inc. (the predecessor to the Company) from June 18, 2019 to August 2020; director and founder of Wasiela Holdings Ltd., a global private equity and real estate holdings company based in Vancouver, BC, Canada and Wasiela Services Ltd. since January 2014.	17,357,333
Ron Segev⁽²⁾	August 12,	Founding partner and lawyer at Segev LLP	209,900 ⁽³⁾

Name of Proposed Nominee, Province, Country of Residence and Proposed Position with the Company	Director Since	Principal Occupation During Last Five Years	Number of Shares Controlled⁽¹⁾
British Columbia, Canada <i>Director</i>	2020	since July 2015	
Rajeev Dewan⁽²⁾ Ontario, Canada <i>Director</i>	August 12, 2020	Partner, McMillan LLP (July 2016 – Present)	127,745
Rick Brace Ontario, Canada <i>Director</i>	April 25, 2021	President of Rogers Media (August 2015 – January 2020)	20,000
Rob Kang British Columbia, Canada <i>Chief Financial Officer, Corporate Secretary and Director</i>	August 12, 2020	CFO and Director of ESE Entertainment Inc. (August 2020 – present); CFO of FogChain Corp. (May 2018, – April 2021); CFO and Corporate Secretary, Intellabridge Technology Corporation (formerly Cryptanite Blockchain Technologies Corp.) (March 2018 – December 2019); CFO, ME Resource Corp. (October 2015 – Present); Corporate Secretary, Hempco Food and Fiber Inc. (April 2016 – August 2019); CFO and Director, Blissco Cannabis Corp. (February, 2018 – July, 2018).	210,000

Notes:

- (1) Shares beneficially directly or indirectly owned or over which control or direction is exercised, at the date of this Circular, based upon information furnished to the Company by the individual directors or obtained from the System for Electronic Disclosure by Insiders (“SEDI”).
- (2) Member of the Audit Committee.
- (3) Such Shares are held through Grouse Global Advisory Ltd., a company controlled by Mr. Segev.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
- (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (ii) after that person had ceased to act in that capacity, but in respect of an event that occurred while the proposed director was so acting, resulted in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Additional Information about the Board

For additional information about the Board of Directors, including compensation, corporate governance practices, independence and directorships, please see *Statement of Executive Compensation and Corporate Governance Disclosure*.

II. Appointment of Auditors

Crowe MacKay LLP of 1177 W Hastings St, Vancouver, BC V6E 4T5 have been the auditors of the Company since November 25, 2020. The Board of Directors recommends that Crowe MacKay LLP be reappointed as auditor of the Company, with their remuneration to be fixed by the Board.

Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the reappointment of Crowe MacKay LLP as auditors of the Company for the ensuing year.

III. Approval of Equity Incentive Plan

Effective October 15, 2021, the Board of Directors adopted a new equity incentive plan for the Company (the "**New Plan**"). Prior to the adoption of the New Plan by the Board of Directors, the sole security-based compensation plan of the Company was its existing stock option plan (the "**Existing Option Plan**"), pursuant to which the Board of Directors was able to grant stock options ("**Options**") to directors, officers, employees of and consultants to the Company. With the growth of the Company's business subsequent to adoption of the Existing Option Plan, the Board of Directors determined it was in the best interests of the Company to adopt a new security-based compensation plan which would provide the Board of Directors with the ability and flexibility to make broader and different forms of equity rewards as part of its need to retain a competitive compensation structure for its directors, officers, executives, employees, consultants and service providers.

Consequently, the Board of Directors adopted the New Plan as a means to grant Options, as well as restricted share units ("**RSUs**", and together with the Options, the "**Awards**") to directors, officers, senior executives and other employees of the Company or a subsidiary, consultants and service providers providing ongoing services to the Company and its affiliates ("**Eligible Participants**", and when such Eligible Participants are granted Awards, the "**Participants**") in order to attract, retain and motivate such persons as individuals whose skills, performance and loyalty to the objectives and interests of the Company are necessary to the Company's success, to incentivize them to continue their services for the Company, and to align their interests with those of the Company.

A complete copy of the New Plan is set out in Schedule "A" of this Circular, and a summary of the material

provisions of the New Plan is set out below.

In accordance with the policies of the Exchange, the adoption of the New Plan by the Board of Directors, and the acceptance of same by the Exchange, is subject to approval of the New Plan by the shareholders of the Company.

As a result, and assuming such approval of the shareholders of the Company is obtained at the Meeting and the approval of the Exchange, no future awards will be granted under the Existing Option Plan, and the awards under the Existing Option Plan shall remain subject to the terms thereof.

Summary of the New Plan

The following is a summary of the material provisions of the New Plan. Capitalized terms used and not otherwise defined in this Circular have the meanings set forth in the New Plan, attached as Schedule "A" to this Circular.

<i>Adjustments</i>	The New Plan may be adjusted if certain changes are made to the Company's capitalization (e.g. subdivision, consolidation or reclassification of or a distribution of assets on (other than an ordinary course dividend) the Shares) in order to preclude a dilution or enlargement of the benefits due to Participants under the New Plan.
<i>Administration</i>	The New Plan is administered and interpreted by the Board of Directors. The Board of Directors may decide by resolution to appoint a committee of at least three members to administer and interpret the New Plan. The Board of Directors and the committee may also delegate to one or more officers of the Company or to a committee of such officers, the authority, subject to such terms and limitations as the Board of Directors or the committee may determine, to grant, cancel, modify, waive rights with respect to, alter, discontinue, suspend or terminate Awards.
<i>Amendments</i>	The Board of Directors may amend the New Plan or any Award without consent of the Participants provided that the amendment shall: • not adversely alter or impair any Award previously granted; • be subject to any regulatory approvals; and • be subject to the approval of the Company's shareholders, where required, provided that the approval of the Company's shareholders is not required for the following amendments and the Board of Directors may make any changes which may include but are not limited to: (i) amendments of a "housekeeping" nature; (ii) a change to the vesting provisions of any Award; and (iii) a change or amendments required by the Exchange. The Board needs the approval of the Company's disinterested shareholders to make the following amendments: • any change to the maximum number of Shares of the Company

	issuable under the New Plan, except any increase due to an adjustment or due to the evergreen provisions of the New Plan; • any amendment that reduces the exercise price of an Award granted to an insider; • any amendment that extends the expiry date of an Award; • amend the limitations on the maximum number of Shares of the Company reserved or issued to insiders under the New Plan; • any amendment that changes the Eligible Participants, including a change that would have the potential to broaden the participation by insiders; and • any amendment to the amendment provisions of the New Plan. Shares held directly or indirectly by insiders that may benefit from certain amendments shall be excluded from voting when obtaining approval of the holders of the Shares.
<i>Assignability</i>	Awards granted under the New Plan are non-transferrable or assignable, other than in the event of death of the holder.
<i>Black-out Period</i>	If the expiration date of an Option falls within a black-out period or within the 10 business days following the end of the black-out period, then the expiration of the Option is extended to the 10th business day following the end of the black-out period.
<i>Cessation</i>	Cessation for any reason other than cause or death or disability — Forfeiture of all unvested Awards. All vested Awards as of the termination date shall: (i) in the case of a RSU, be settled in accordance with the terms of the New Plan; and (ii) in the case of an Option, be exercised in accordance with the terms of the New Plan, at any time during the period that terminates on the earlier of: (A) the Option's expiry date, and (B) the 90th day after the termination date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period. Termination for cause — Forfeiture of all vested and unvested Awards. Death or disability of a Participant — Acceleration of vesting of all unvested Awards and (i) in the case of a RSU, be settled in accordance with the terms of the New Plan; and (ii) in the case of an Option, be exercised in accordance with the terms of the New Plan, at any time during the period that terminates on the earlier of: (A) the Option's expiry date, and (B) the first anniversary of the date of the death or disability of the Participant. Any Option that remain unexercised shall be immediately forfeited upon the termination of such period.
<i>Change of Control</i>	In the event of a "Change in Control", a reorganization of the Company, an amalgamation of the Company, an arrangement involving the Company, a take-over bid (as that term is defined in the <i>Securities Act</i> (British Columbia))

	for all of the Shares or the sale or disposition of all or substantially all of the property and assets of the Company, the Board of Directors may make such provision for the protection of the rights of the Participants as the Board of Directors in its discretion considers appropriate in the circumstances. “Change in Control” means an event whereby (i) any person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding Shares or the combined voting power of the Company’s then outstanding voting securities entitled to vote generally; (ii) any person acquires, directly or indirectly, securities of the Company to which is attached the right to elect the majority of the directors of the Company; or (iii) the Company undergoes a liquidation or dissolution or sells all or substantially all of its assets.
<i>Shares Subject to the New Plan</i>	The total number of Shares reserved and available for grant and issuance pursuant to Awards shall not exceed a number of Shares equal to 10% of the total issued and outstanding Shares of the Company at the time of granting of Awards (on a non-diluted basis). Any increase in the issued and outstanding Shares (whether as a result of exercise of Awards or otherwise) will result in an increase in the number of Shares reserved and available for grant and issuance pursuant to Awards and the exercise of any granted Awards will make new grants available under the New Plan. As at the date of this Circular, the Company had 59,356,199 Shares issued and outstanding. Consequently, as of the date of this Circular, 5,935,619 Shares are available to be reserved for issuance pursuant to Awards under the New Plan together with the Existing Option Plan, which represents 10% of the issued and outstanding Shares as at the date hereof. As at the date of this Circular, there were a total of 4,462,500 Options outstanding under the Existing Option Plan, leaving a total of 1,473,119 Shares remaining available for issuance pursuant to Awards under the New Plan.
<i>Eligibility</i>	The persons eligible to receive Awards are the Eligible Participants.
<i>Exchange Limits</i>	• The maximum number of Shares for which Awards may be issued to any one Participant under the New Plan, together with any other security-based compensation arrangement of the Company, including the Existing Option Plan, in any 12-month period shall not exceed 5% of the issued Shares, calculated on the date an Award is granted to the Participant. • The maximum number of Shares for which Awards may be issued to any one consultant in a 12-month period (in the aggregate) shall not exceed 2% of the issued Shares, calculated on the date an Award is granted to the Consultant. • The aggregate number of Options to all persons retained to provide investor relations activities must not exceed 2% of the issued Shares in any 12 month period calculated at the first such grant date (and including any Eligible Participant that performs investor relations

	activities and/or whose role or duties primarily consist of investor relations activities). No RSUs may be granted under the New Plan to persons retained to provide investor relations activities. • The aggregate number of Shares (i) issued to insiders under the New Plan together with any other security-based compensation arrangement of the Company, including the Existing Option Plan, within any one year period and (ii) issuable to insiders at any time under the New Plan together with any other security-based compensation arrangement, including the Existing Option Plan, shall in each case not exceed 10% of the issued and outstanding Shares. • Options granted to any Person retained to provide investor relations activities must vest in a period of not less than 12 months from the date of grant of the Options and with no more than 25% of the Options vesting in any three month period.
<i>Exercise Price</i>	Options — The option price for the Shares that are the subject of any Option shall be determined by the Board of Directors at the time the Option is granted, but may not be less than the “Discounted Market Price” (as defined in the Policies of the Exchange) of the Shares at the time of grant. RSUs — The purchase price of an RSU is determined by the Board and may be zero
<i>Term</i>	Options — The Board of Directors shall determine the period in which an Option is exercisable. An Option cannot expire later than 10 years from the date it is granted. RSUs — The Board of Directors shall determine the Restricted Period, provided such Restricted Period cannot expire later than December 31 of the year that is three years after the calendar year in which the grant of RSUs was made. In the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of an RSU are satisfied, all vested RSUs may be settled at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the date that is five (5) years from their RSU Vesting Determination Date
<i>Vesting</i>	Options — The Board of Directors shall, from time to time by resolution, determine the vesting provisions of the Options. RSUs — The relevant conditions and vesting provisions of a RSU are determined by the Board of Directors (including the performance period and criteria, if any). In making its determination regarding the vesting requirements applicable to any RSUs, the Board of Directors shall ensure that such requirements are not considered a "salary deferral arrangement" for purposes of applicable legislation. The Board of Directors also sets a date upon which it is determined whether the vesting conditions with respect to RSUs have been met (the "RSU Vesting Determination Date"). This then establishes the number of RSUs that become vested. The RSU Vesting Determination Date cannot fall outside the period (the "Restricted Period")

	that ends on December 31 of the year that is three years after the calendar year in which the grant of RSUs was made. Any RSU that remains unvested on the RSU Vesting Determination or at the end of the Restricted Period, whichever is earlier, is cancelled.
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Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the approval of the New Plan.

Accordingly, the shareholders of the Company will be asked to consider and, if deemed appropriate, to pass with or without variation, an ordinary resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to approve the New Plan attached to this Circular as Schedule "A". The text of the resolution is:

"BE IT RESOLVED as an ordinary resolution that:

- (a) the equity incentive plan of ESE Entertainment Inc. (the "**Company**") substantially in the form as attached as Schedule "A" to the management information circular of the Company dated October 13, 2021, (the "**New Plan**") with such other conforming changes as the board of directors of the Company considers necessary or appropriate, is hereby ratified, confirmed and approved;
- (b) the reservation for issuance from treasury pursuant to options and restricted share units under the New Plan and under any other security based compensation arrangements adopted by the Company of up to 10% of the issued and outstanding common shares of the Company from time to time is hereby ratified, confirmed and approved;
- (c) the form of the New Plan may be amended in order to satisfy the requirements or requests of any regulatory authority or stock exchange without requiring further approval of the shareholders;
- (d) the shareholders of the Company hereby expressly authorize the board of directors of the Company, in its discretion, to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
- (e) any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by the holders of Shares at the Meeting. **Management recommends that the Company's shareholders vote "FOR" the above resolution.**

IV. Other Matters

Management of the Company knows of no other matter to come before the Meeting other than those

referred to in the notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

STATEMENT OF EXECUTIVE COMPENSATION

The following information is presented in accordance with National Instrument 51-102 - *Continuous Disclosure Obligations* and Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers*, and sets forth compensation for each NEO (as defined below) and each director of the Company during the financial year ended October 31, 2020.

For the purposes of this section titled 'Statement of Executive Compensation':

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

"CEO" of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"CFO" of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"Common Shares" means the common shares in the capital of the Company;

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

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CFO, including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

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

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

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

Set out below is a summary of compensation paid or accrued, excluding compensation securities, during the Company's two most recently completed financial years to the Company's directors and NEOs.

Name and Position	Year⁽¹⁾	Salary, Consulting Fee, Retainer, or Commission	Bonus	Committee or Meeting Fees	Value of Perquisites	Value of all Other Compensation	Total Compensation
Konrad Wasiela ⁽²⁾ <i>CEO, Director</i>	2020	\$180,000	Nil	Nil	Nil	Nil	\$180,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Rob Kang ⁽³⁾ <i>CFO, Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Ron Segev ⁽⁴⁾ <i>Director</i>	2020	\$50,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	\$50,000 ⁽⁵⁾
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Raj Dewan ⁽⁶⁾ <i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Ryan Maarschalk ⁽⁷⁾ <i>Former Director</i>	2020	\$54,000	Nil	Nil	Nil	Nil	\$54,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Zachary Dolesky ⁽⁸⁾ <i>Former Director</i>	2020	\$6,380	Nil	Nil	Nil	Nil	\$6,380
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Robert Horsley ⁽⁹⁾ <i>Former director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Mervyn Pinto ⁽¹⁰⁾ <i>Former Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) For the years ended October 31, 2020 and October 31, 2019.
- (2) Mr. Wasiela was appointed as director and CEO on August 12, 2020. \$66,000 of Mr. Wasiela's total \$180,000 consulting fees were paid to his wholly-owned company, Wasiela Services Ltd.
- (3) Mr. Kang was appointed as director and CFO on August 12, 2020.
- (4) Mr. Segev was appointed as director on August 12, 2020.
- (5) Mr. Segev was supposed to be issued 200,000 shares in the financial year ending October 31, 2020. However, such shares had not been issued as at October 31, 2020. Fair value of \$50,000 was therefore accrued in the financial year ended October 31, 2020 for the 200,000 shares to be issued in the subsequent financial year. The 200,000 shares have now been

issued, on September 14, 2021.

- (6) Mr. Dewan was appointed as director on August 12, 2020.
- (7) Mr. Maarschalk resigned as director on April 26, 2021.
- (8) Mr. Dolesky resigned as director on August 12, 2020.
- (9) Mr. Horsley resigned as director on August 12, 2020.
- (10) Mr. Pinto resigned as director on August 12, 2020.

External Management Companies

Through Wasiela Services Ltd., a company wholly-owned by the Company's CEO, Konrad Wasiela, Mr. Wasiela was paid a monthly fee of \$5,500 per month pursuant to a management consulting agreement dated November 18, 2019. All of the monthly fees paid by the Company to Wasiela Services Ltd. are allocated to Mr. Wasiela.

Other than as disclosed above, there were no external consulting agreements with the Company during the most recently completed financial year.

Director and NEO Stock Options and Other Compensation Securities

The following table sets forth incentive stock options (option-based awards) pursuant to the Existing Option Plan that were granted to NEOs and directors of the Company who were not NEOs during the financial year ended October 31, 2020.

Compensation Securities Granted in 2020⁽¹⁾								
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class⁽²⁾		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
Konrad Wasiela <i>CEO and Director</i>	Stock options	550,000 ⁽³⁾	22.6%	August 17, 2020	\$0.25	\$0.30	\$0.24	August 17, 2025
Rob Kang <i>CFO and Director</i>	Stock options	300,000 ⁽³⁾	12.3%	August 17, 2020	\$0.25	\$0.30	\$0.24	August 17, 2025
Raj Dewan <i>Director</i>	Stock options	300,000 ⁽³⁾	12.3%	August 17, 2020	\$0.25	\$0.30	\$0.24	August 17, 2025
Ron Segev <i>Director</i>	Stock options	300,000 ⁽⁴⁾	12.3%	August 17, 2020	\$0.25	\$0.30	\$0.24	August 17, 2025
	Common Shares ⁽⁵⁾	200,000	N/A	August 17, 2020	\$0.25	\$0.30	\$0.24	N/A
Ryan	Stock options	300,000 ⁽⁶⁾	12.3%	August 17,	\$0.25	\$0.30	\$0.24	August 17,

Maarschalk <i>Former Director</i> ⁽⁷⁾				2020				2025
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Notes:

- (1) No compensation securities have been re-priced, cancelled and replaced, had their terms extended, or otherwise been materially modified, in the most recently completed financial year.
- (2) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Company outstanding as of October 31, 2020, being 2,432,537.
- (3) 1/6 of the stock options granted vest every six (6) months, beginning on February 17, 2021.
- (4) 100% of Mr. Segev's options vested on the grant date.
- (5) The 200,000 Common Shares had not been issued to Mr. Segev as at October 31, 2020. However, the 200,000 shares at \$0.25 has been included in the Company's financial statements as a commitment to issue shares as at October 31, 2020. The 200,000 shares have now been issued, on September 14, 2021.
- (6) 75,000 of Mr. Maarschalk's options vested on the grant date, and 225,000 options vest in 6 equal tranches every six (6) months, beginning on February 17, 2021.
- (7) Mr. Maarschalk resigned as director on April 26, 2020.

The following table sets forth all exercises by directors or NEOs of compensation securities in the financial year ended October 31, 2020.

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Date of Exercise	Exercise Price Per Security (\$)	Closing price Per Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
Zachary Dolesky ⁽¹⁾ <i>Former Director</i>	Stock options	7,463	September 18, 2020	\$0.0667	\$0.22	\$0.1533	\$1,144.08
Mervyn Pinto ⁽²⁾ <i>Former Director</i>	Stock options	210,000	August 14, 2020	\$0.0667	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾

Notes:

- (1) Mr. Dolesky resigned as director on August 12, 2020.
- (2) Mr. Pinto resigned as director on August 12, 2020.
- (3) The Company's shares were halted from trading.

Outstanding Compensation Securities

The following table sets forth the outstanding compensation securities held by the Directors and NEOs of the Company as of October 31, 2020:

Compensation Securities Held at October 31, 2020					
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities	Date of Grant	Exercise Price	Expiry Date
Konrad Wasiela <i>CEO and Director</i>	Stock Options ⁽¹⁾	550,000	August 17, 2020	\$0.25	August 17, 2025
Rob Kang <i>CFO and Director</i>	Stock Options ⁽¹⁾	300,000	August 17, 2020	\$0.25	August 17, 2025
Raj Dewan <i>Director</i>	Stock Options ⁽¹⁾	300,000	August 17, 2020	\$0.25	August 17, 2025
Ron Segev <i>Director</i>	Stock Options ⁽²⁾	300,000	August 17, 2020	\$0.25	August 17, 2025
Ryan Maarschalk ⁽⁴⁾ <i>Former Director</i>	Stock Options ⁽³⁾	300,000	August 17, 2020	\$0.25	August 17, 2025
Zachary Dolesky ⁽⁵⁾ <i>Former Director</i>	Stock Options	262,537	September 17, 2018	\$0.0667	August 23, 2024
Robert Horsley ⁽⁶⁾ <i>Former director</i>	Stock Options	120,000	September 17, 2018	\$0.0667	August 23, 2024

Notes:

- (1) 1/6 of the stock options granted vest every six (6) months, beginning on February 17, 2021.
- (2) 100% of Mr. Segev's options vested on the grant date.
- (3) 75,000 of Mr. Maarschalk's options vested on the grant date, and 225,000 options vest in 6 equal tranches every six (6) months, beginning on February 17, 2021.
- (4) Mr. Maarschalk resigned as director on April 26, 2021.
- (5) Mr. Dolesky resigned as director on August 12, 2020. These options are no longer outstanding, as they have all been exercised since October 31, 2020.
- (6) Mr. Horsley resigned as director on August 12, 2020. These options are no longer outstanding, as they have all been exercised since October 31, 2020.

Stock Option Plans and Other Incentive Plans

The following is a summary of the material terms of the Company's Existing Option Plan, which was approved by the Company's shareholders at the Company's annual general and special meeting of shareholders held on November 15, 2019. Assuming approval of the New Plan by the shareholders of the Company is obtained at the Meeting, no future awards will be granted under the Existing Option Plan, but the awards under the Existing Option Plan shall remain subject to the terms thereof.

Eligible Optionees. Under the Existing Option Plan, the Company can grant Options to acquire Common Shares of the Company to directors, officers, and consultants of the Company or affiliates of the Company, as well as to employees of the Company and its subsidiaries.

Number of Shares Reserved. The number of Common Shares that may be issued pursuant to Options granted under the Existing Option Plan may not exceed 10% of the issued and outstanding Common Shares from time to time at the date of the grant of Options.

Number of Shares Held by an Individual. The maximum number of Common Shares that may be issued pursuant to Options granted to any individual under the Existing Option Plan is limited to an amount equal to 5% of the then issued and outstanding Common Shares (on a non-diluted basis) in any 12-month period.

Number of Shares Held by a Consultant. The maximum number of Common Shares that may be issued pursuant to Options granted to a consultant under the Existing Option Plan is limited to an amount equal to 2% of the then issued and outstanding Common Shares (on a non-diluted basis) in any 12-month period.

Number of Shares Held by Persons Performing Investor Relations. The maximum number of Common Shares that may be issued pursuant to Options granted to all persons in aggregate who are employed to perform investor relations activities is limited to an amount equal to 2% of the then issued and outstanding Common Shares (on a non-diluted basis) in any 12-month period, provided that such Options vest in stages over a 12-month period with no more than $\frac{1}{4}$ of the Options vesting in any three-month period.

Maximum Term of Options. The term of any Options granted under the Existing Option Plan is fixed by the Board of Directors and may not exceed ten (10) years from the date of grant.

Exercise Price. The exercise price of Options granted under the Existing Option Plan is determined by the Board of Directors but may not be less than the Discounted Market Price (as that term is defined in Policy 1.1 – *Interpretation* of the Exchange).

Vesting Provisions. Options granted under the Existing Option Plan may be subject to vesting provisions. Such vesting provisions are determined by the Board of Directors or the Exchange, if applicable.

Termination. Any Options granted pursuant to the Existing Option Plan will terminate within 90 days of the option holder ceasing to act as a director, officer, employee of the Company, unless such cessation is on account of death. If such cessation is on account of death, the Options terminate on the first anniversary of such cessation.

Transferability. The Options are non-assignable and non-transferable.

Amendments. Any substantive amendments to the Existing Option Plan will be subject to the Company first obtaining the approvals, if required, of (a) the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange, or any stock exchange on which the Common Shares may then be listed for trading; and (b) the Exchange, or any stock exchange on which the Common Shares may then be listed for trading.

Administration. The Existing Option Plan is administered by such director or other senior officer or employee as may be designated by the Board of Directors from time to time.

Board Discretion. The Existing Option Plan provides that the number of Common Shares subject to each Option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such Options will be determined by the Board of Directors.

Employment, Consulting, and Management Agreements:

The Company has no current employment agreements with any of its NEOs.

On November 6, 2019, the Company entered into a management consulting agreement with 1176149 BC Ltd., a company controlled by Ryan Maarschalk, for the position of CFO commencing on December 1, 2019 for a period of six months at a monthly rate of \$4,000 per month and on a month to month basis thereafter (the “**Maarschalk Agreement**”). On August 12, 2020, Mr. Maarschalk resigned as CFO and became a director and financial controller of the Company. The Maarschalk Agreement continued on the same terms following his resignation as CFO in consideration for his services as financial controller.

On November 12, 2019, the Company entered into a management consulting agreement with Konrad Wasiela for the position of CEO for a period of one year at a monthly rate of \$9,500 per month which shall automatically be renewed annually unless one party provides written notice at least one month prior to the end of the term.

On November 18, 2019, the Company entered into a management consulting agreement with Wasiela Services Ltd. for management and advisory services for a period of one year at a monthly rate of \$5,500 per month which shall automatically be renewed annually unless one party provides written notice at least one month prior to the end of the term.

Oversight and Description of Director and NEO Compensation

Philosophy and Objectives

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified, and effective executives;
- (b) motivating the short and long-term performance of those executives; and
- (c) better aligning their interests with those of the Company’s shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan.

Elements of the Compensation Program

The significant elements of compensation awarded to the NEOs are a cash salary and stock options. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and noncash elements of the Company’s compensation program. The Board of Directors annually reviews the total compensation package of each of the Company’s executives on an individual basis, against the backdrop of the compensation goals and objectives described above.

Cash Salary

As a general rule, the Company seeks to offer its NEOs a reasonable compensation package that is in line with the Company’s shareholder value, operating results, and liquidity considerations, consideration of compensation packages offered by other companies similar in size and complexity, and as a means of rewarding the NEOs for efforts expended on behalf of the Company.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's Existing Option Plan and, once adopted, the New Plan. Stock options, and once the New Plan is adopted, restricted stock units are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses, and the Company's goals. Such awards are generally granted to senior executives and vest on terms determined by the Board of Directors.

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors does not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking, including risks that are likely to have a material adverse effect on the Company.

Use of Financial Instruments

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Perquisites and Other Personal Benefits

The Company's NEOs are not generally entitled to significant perquisites or other personal benefits that are not offered to the Company's other employees.

Pension Plan Benefits

The Company does not have any pension plans that provide for payments or benefits to the NEOs at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Company does not have a deferred compensation plan with respect to any NEO.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information in respect of the Company's equity compensation plans under which equity securities of the Company are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Company's shareholders and all equity plans not approved by the Company's shareholders as at October 31, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders ⁽¹⁾	2,432,537	\$0.22	1,433,139
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	2,432,537	\$0.22	1,433,139 ⁽²⁾⁽³⁾

Notes:

- (1) The only equity compensation plan under which equity securities of the Company have been authorized for issuance is the Existing Option Plan, which was approved by the Company's securityholders on November 15, 2019.
- (2) Based on the figure that is 10% of the issued and outstanding Common Shares that were available for issuance under the Existing Option Plan as at October 31, 2020. As at such date there were 38,656,764 Common Shares issued and outstanding.
- (3) If approved at the Meeting, the New Plan will permit such number of options and RSUs to be granted equal to up to 10% of the issued and outstanding Common Shares from time to time.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is not as of the date hereof, and has not been since the beginning of the Company's last completed financial year, any indebtedness owing to the Company by the directors and senior officers of the Company or any of their associates or affiliates. There is not as of the date hereof, and has not been since the beginning of the Company's last completed financial year, any indebtedness owed to another entity, which is subject to a guarantee, support agreement, letter of credit, other similar arrangements or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, no "informed person" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Company or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Company has participated since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company.

CORPORATE GOVERNANCE DISCLOSURE

Canadian securities regulatory policy as reflected in National Instrument 58-101 - *Disclosure of Corporate*

Governance Practices (“**NI 58-101**”) requires that venture issuers like the Company must disclose on an annual basis their approach to corporate governance. National Policy 58-201 - *Corporate Governance Guidelines* (“**NP 58-201**”) provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Company’s approach to corporate governance in the context of NI 58-101 and NP 58-201 (together the “**Policies**”) as well as its compliance with the mandatory rules relating to audit committees is set out below.

Board of Directors

The Board of Directors has determined that three of its five directors proposed for election at the Meeting are independent. An "independent" director is a director who is independent of management and free from any interest any business or other relationship that could, or could reasonably be perceived to materially interfere with the director’s ability to act in the best interests of the Company, other than interests arising from being a director or shareholder. Messrs. Wasiela and Kang are not considered to be independent directors because they are officers of the Company. Messrs. Segev, Dewan, and Brace are considered as independent directors.

The Board of Directors does not currently have an independent chair or a lead director. Going forward, the independent directors will have the opportunity to meet regularly in an *in camera* session as part of board meetings and can otherwise communicate as they deem necessary. The Board of Directors believes that Messrs. Wasiela, Segev, Dewan, Kang and Brace as a group are experienced, familiar with the expectations of independent directors, and capable of exercising independent judgment.

Directorships

The following directors currently hold directorships in other reporting issuers:

Rob Kang	Nabati Foods Global Inc. (CSE) ME Resources Corp. (CSE) AMPD Ventures Inc. (CSE) MegaWatt Lithium and Battery Metals Corp. (CSE) New Wave Holdings Corp. (CSE) Eat Beyond Global Holdings Inc. (CSE) Trillium Gold Mines Inc. (TSXV) Maple Peak Investments Inc. (TSXV)
Ron Segev	Karsten Energy Corp. (TSXV)
Raj Dewan	Avisa Diagnostics Inc. (CSE) Antera Ventures II Corp. (TSXV) Victory Capital Corp. (TSXV)

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, each new director receives an orientation, minutes of meetings, written mandates, guidelines and other relevant corporate documents needed to understand the Company’s business and processes. The commitment needed from directors, particularly the commitment of time and energy, is emphasized to directors prior to their appointment nomination.

Directors are encouraged to communicate with management, auditors and consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to keep themselves up to date with best director and corporate governance practices. The Company provides continuing education for its directors as the need arises. Directors have full access to the Company's records.

Ethical Business Conduct

The Board of Directors views good corporate governance and ethical business conduct as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board of Directors has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Company. The Company does not have a formalized code of business conduct

Nomination of Directors

The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board of Directors' duties effectively and to maintain a diversity of views and experience. The Board of Directors does not have a nominating committee, and these functions are currently performed by the Board of Directors as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

To determine compensation payable, the independent directors review compensation paid for directors and CEOs of companies of similar size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting compensation, the independent directors annually review the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

Other Board Committees

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board of Directors has determined that additional committees (other than the audit committee) are not necessary at this stage of the Company's development.

Assessments

The Board of Directors monitors the adequacy of information given to directors, communication between the Board of Directors and management and the strategic direction and processes of the Board of Directors and the audit committee. The Board of Directors does not perform a formalized assessment of

directors, the board and committees.

AUDIT COMMITTEE

The Audit Committee Charter

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

The Audit Committee has the general responsibility to review and make recommendations to the Board of Directors on the approval of the Company's annual and interim financial statements, the Management Discussion and Analysis and the other financial information or disclosure of the Company. More particularly, it has the mandate to:

- (i) oversee all the aspects pertaining to the process of reporting and divulging financial information, the internal controls and the insurance coverage of the Company;
- (ii) oversee the implementation of the Company's rules and policies pertaining to financial information and internal controls and management of financial risks and to ensure that the certifications process of annual and interim financial statements is conformed with the applicable regulations; and
- (iii) evaluate and supervise the risk control program and review all related party transactions.

The Audit Committee ensures that the external auditors are independent from management. The Audit Committee reviews the work of outside auditors, evaluates their performance, evaluates their remuneration and makes recommendations to the Board of Directors. The Audit Committee also authorizes non-related audit work. A copy of the Charter of the Audit Committee is appended hereto as Schedule "B".

Composition of the Audit Committee

The Audit Committee is currently comprised of the following members of the Board:

Name	Position	Independent⁽¹⁾	Financial Literacy⁽²⁾
Rick Brace	Director	Yes	Yes
Rajeev Dewan ⁽³⁾	Director	Yes	Yes
Ron Segev	Director	Yes	Yes

Notes:

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

Relevant Education and Experience

Each member of the Company’s Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See “Particulars of Matters to be Acted Upon – Election of Directors” for further details of each audit committee member’s relevant education and experience.

Audit Committee Oversight

At no time since the commencement of the financial year ended June 30, 2020 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

Aggregate fees paid to the Auditor during the financial years ended October 31, 2020, and June 30, 2020 and 2019 were as follows:

	Financial Year Ended October 31, 2020	Financial Year Ended June 30, 2020 ⁽¹⁾	Financial Year Ended June 30, 2019
Audit Fees ⁽²⁾	\$65,000	\$8,100	\$6,000
Audit-Related Fees ⁽³⁾	Nil	\$6,250	Nil

Tax Fees ⁽⁴⁾	Nil	Nil	Nil
All Other Fees ⁽⁵⁾	Nil	Nil	Nil
Total:	\$65,000	\$14,350	\$6,000

Notes:

- (1) As part of its qualifying transaction, the Company changed its financial year end from June 30 to October 31.
- (2) "Audit fees" include fees rendered by the Company's external auditor for professional services necessary to perform the annual audit and any quarterly reviews of the Company's financial statements. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements.
- (3) "Audit-related fees" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not included in the "Audit Fees" category.
- (4) "Tax fees" include fees for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
- (5) "All other fees" include fees for products and services provided by the Company's external auditor, other than services reported under the table headings "Audit Fees", "Audit-Related Fees" or "Tax Fees".

ADDITIONAL INFORMATION

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com. Financial information is provided in the Company's audited financial statements, the reports of the auditor, and management's discussion and analysis for the years ended October 31, 2020, and June 30, 2019 and 2018.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular to the shareholders of the Company have been approved by the Board of Directors of the Company.

ON BEHALF OF THE BOARD OF DIRECTORS,

"Konrad Wasiela"

Konrad Wasiela
CEO and Director

October 13, 2021

SCHEDULE "A"
EQUITY INCENTIVE PLAN

[See attached]

ESE ENTERTAINMENT INC.

2022 EQUITY INCENTIVE PLAN

The following is the equity incentive plan of ESE Entertainment Inc. (the "**Corporation**") pursuant to which stock-based compensation awards may be granted to Eligible Participants (as defined below). The name of the plan is the 2022 Equity Incentive Plan (the "**Plan**").

The Plan permits the grant of Options and Restricted Share Units (as such terms are defined below). The Plan was approved by the Board of Directors of the Corporation (the "**Board**") on October 15, 2021 and will be effective as of the date the Plan is approved by shareholders of the Corporation (the "**Effective Date**") until the earlier of (i) the date it is terminated by the Board in accordance with the Plan, and (ii) 10 years after the Effective Date.

The Plan shall in respect of Options (as defined below) serve as the successor to the Corporation's 2019 stock option plan (the "**Prior Plan**"), and no further awards shall be made under the Prior Plan from and after the Effective Date of the Plan, and the awards granted under the Prior Plan shall remain subject to the terms of the Prior Plan.

**ARTICLE 5
DEFINITIONS**

5.1 Definitions

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

"Account" means an account maintained for each Participant on the books of the Corporation which will be credited with Awards in accordance with the terms of this Plan;

"Affiliate" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 — *Prospectus Exemptions*, as amended from time to time;

"Awards" means an Option or a RSU granted to a Participant pursuant to the terms of the Plan;

"Black-Out Period" means a period of time when pursuant to any policies of the Corporation or applicable law, any securities of the Corporation may not be traded by certain persons designated by the Corporation;

"Board" has the meaning set out in the recitals hereto;

"Business Day" means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Vancouver, British Columbia, for the transaction of banking business;

"Cash Equivalent" means, in the case of RSUs, the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant's Account, net of any applicable taxes in accordance with Section 7.2, on the RSU Settlement Date;

"Cause" means:

- (a) unless the applicable Grant Agreement states otherwise, with respect to any employee or Consultant:
 - (i) if the employee or consultant is a party to an Employment Agreement or service agreement with the Corporation or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the employee's or consultant's employment or service agreement without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (A) the failure of the employee or consultant to carry out the employee's or consultant's duties properly or to comply with the Corporation's rules, policies and practices; (B) material breach of any agreement with the Corporation or an Affiliate, or a material violation of the Corporation's or an Affiliate's code of conduct

- or other written policy; (C) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (D) material fiduciary breach with respect to the Corporation or an Affiliate; (E) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Affiliates; or (F) gross negligence or willful misconduct with respect to the Corporation or an Affiliate;
- (b) with respect to any director, a determination by a majority of the disinterested Board members that the director has engaged in any of the following:
 - (i) gross misconduct or neglect;
 - (ii) willful conversion of corporate funds;
 - (iii) false or fraudulent misrepresentation inducing the director's appointment; or
 - (iv) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance; and
- (c) the Board, in its sole and absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause;

"Change in Control" means an event whereby (i) any Person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding Shares or the combined voting power of the Corporation's then outstanding voting securities entitled to vote generally; (ii) any Person acquires, directly or indirectly, securities of the Corporation to which is attached the right to elect the majority of the directors of the Corporation; or (iii) the Corporation undergoes a liquidation or dissolution or sells all or substantially all of its assets;

"Committee" has the meaning ascribed thereto in Section 2.2(a) hereof;

"Corporation" means ESE Entertainment Inc., a corporation existing under the *Business Corporations Act* (British Columbia), and its successors from time to time;

"Disabled" or **"Disability"** means the permanent and total incapacity of a Participant as determined in accordance with procedures established by the Board for the purposes of this Plan;

"Discounted Market Price" has the meaning set out in Policy 1.1 of the TSXV, subject to certain adjustments in accordance with Policy 4.4 of the TSXV;

"Eligible Participants" has the meaning ascribed thereto in Section 2.3(1) hereof;

"Employment Agreement" means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

"Exercise Notice" means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Award, if applicable;

"Grant Agreement" means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a RSU Agreement, or an Employment Agreement;

"Insider" has the meaning attributed thereto in the rules and policies of the TSXV as amended from time to time;

"Investor Relations Activities" has the meaning attributed thereto in the rules and policies of the TSXV as amended from time to time;

"Market Value" means at any date when the Market Value of Shares of the Corporation is to be determined, the volume weighted average trading price of the Shares on the five Trading Days prior to the date of grant, calculated by dividing the total value by the total volume of Shares traded for the five Trading Days prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

“Option” means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number and class of Shares from treasury at the Option Price, subject to the provisions of this Plan;

“Option Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof;

“Option Price” has the meaning ascribed thereto in Section 3.2 hereof;

“Option Term” has the meaning ascribed thereto in Section 3.4(a) hereof;

“Participants” means Eligible Participants that are granted Awards under the Plan;

“Participant’s Account” means an account maintained for each Participant’s participation in RSUs under the Plan;

“Performance Criteria” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

“Performance Period” means the period determined by the Board pursuant to Section 4.4 hereof;

“Person” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“Plan” has the meaning set out in the recitals hereto;

“Prior Plan” has the meaning set out in the recitals hereto;

“Restriction Period” means the period determined by the Board pursuant to Section 4.3 hereof;

“Restricted Share Unit” or **“RSU”** means a right awarded by the Corporation to a Participant to receive a payment in the form of Shares or the Cash Equivalent as provided in ARTICLE 4 hereof, subject to the provisions of this Plan;

“RSU Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof;

“RSU Settlement Date” has the meaning determined in Section 4.6(a)(i);

“RSU Settlement Notice” means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs;

“RSU Vesting Determination Date” has the meaning described thereto in Section 4.5 hereof;

“Share Based Compensation Arrangement” for the purposes of the Plan means any option, share option plan, share incentive plan, employee share purchase plan where the Corporation provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation’s treasury, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan guarantee or otherwise, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation’s treasury;

“Share” means a common share in the capital of the Corporation, or such other security of the Corporation as may be designated by the Board from time to time in substitution thereof;

“Subsidiary” means any entity that is a “subsidiary” for the purposes of National Instrument 45-106 — *Prospectus Exemptions*, as amended from time to time;

“Successor Corporation” has the meaning ascribed thereto in Section 6.1(c) hereof;

“Tax Act” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

“Termination Date” means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be an employee of the Corporation or an Affiliate and (ii) in the event of the termination of the Participant’s employment by the Corporation or an Affiliate, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Affiliate, as the case may be, and “Termination Date” specifically does not mean the date of termination of any period of reasonable notice that the Corporation or an Affiliate of the Corporation (as the case may be) may be required by law to provide to the Participant;

“Trading Day” means any day on which the TSXV is opened for trading; and

“TSXV” means the TSX Venture Exchange.

ARTICLE 2

PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

2.1 Purpose of the Plan.

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Corporation’s welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or an Affiliate;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or an Affiliate and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or an Affiliate are necessary or essential to its success, image, reputation or activities;
- (c) to reward the Eligible Participants for their performance of services while working for the Corporation or an Affiliate; and
- (d) to provide a means through which the Corporation or an Affiliate may attract and retain able Persons to enter its employment.

2.2 Implementation and Administration of the Plan.

- (a) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board (the **“Committee”**) and consisting of not less than three (3) members of the Board. If a Committee is appointed for this purpose, all references to the term **“Board”** will be deemed to be references to the Committee.
- (b) The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules, regulations and policies for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the TSXV. Subject to the provisions of the Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on all Eligible Participants.
- (c) No member of the Board shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
- (d) Any determination approved by a majority of the Board shall be deemed to be a determination of that matter by the Board.
- (e) Subject to the terms of this Plan and applicable law, the Board may delegate to one or more officers of the Corporation, or to a committee of such officers, the authority, subject to such terms and

limitations as the Board may determine, to grant, cancel, modify, waive rights with respect to, alter, discontinue, suspend or terminate Awards.

2.3 Eligible Participants.

The Persons who shall be eligible to receive Awards ("**Eligible Participants**") shall be the directors, officers, senior executives and other employees of the Corporation or an Affiliate, and consultants and service providers providing ongoing services to the Corporation or its Affiliates. In determining Awards to be granted under the Plan, the Board shall give due consideration to the value of each Eligible Participant's present and potential future contribution to the Corporation's success.

2.4 Shares Subject to the Plan.

- (a) Subject to adjustment pursuant to provisions of ARTICLE 6 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Awards shall not exceed a number of Shares equal to 10% of the total issued and outstanding Shares of the Corporation at the time of granting of Awards (on a non-diluted basis). Any increase in the issued and outstanding Shares (whether as a result of exercise of Awards or otherwise) will result in an increase in the number of Shares reserved and available for grant and issuance pursuant to Awards and the exercise of any granted Awards will make new grants available under the Plan.
- (b) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or delivered prior to the termination of such Award due to the expiration, termination or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Shares. Notwithstanding anything herein to the contrary, any Shares forfeited, cancelled or otherwise not issued for any reason under the awards of the Prior Plan shall be available for grants under this Plan. Awards that by their terms are to be settled solely in cash shall not be counted against the number of shares of Shares available for the issuance of Awards under the Plan.

2.5 Participation Limits

Subject to adjustment pursuant to provisions of ARTICLE 6 hereof, at all times when the Corporation is listed on the TSXV:

- (a) the maximum number of Shares for which Awards may be issued to any one Participant under the Plan, together with any other Share Based Compensation Arrangement, including the Prior Plan, in any 12-month period shall not exceed 5% of the issued Shares, calculated on the date an Award is granted to the Participant;
- (b) the maximum number of Shares for which Awards may be issued to any one consultant in a 12-month period (in the aggregate) shall not exceed 2% of the issued Shares, calculated on the date an Award is granted to the Consultant;
- (c) the aggregate number of Options to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12 month period calculated at the first such grant date (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities). For clarity and notwithstanding anything to the contrary contained herein, no RSUs may be granted under this Plan to Persons retained to provide Investor Relations Activities;
- (d) the aggregate number of Shares (i) issued to Insiders under the Plan together with any other Share Based Compensation Arrangement, including the Prior Plan, within any 12 month period and (ii) issuable to Insiders at any time under the Plan together with any other Share Based Compensation Arrangement, including the Prior Plan, shall in each case not exceed 10% of the total issued and

outstanding Shares from time to time. Any Awards granted pursuant to the Plan, prior to the Participant becoming an Insider, shall be counted for the purposes of the limits set out in this Section 2.5; and

- (e) Options granted to any Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of the Options and with no more than 25% of the Options vesting in any three month period, notwithstanding any other provision of this Plan.

2.6 Granting of Awards.

- (a) Any Award granted under the Plan shall be subject to the requirement that if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- (b) Any Award granted under the Plan shall be subject to the requirement that the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan.

ARTICLE 3 OPTIONS

3.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, subject to the provisions of this Plan.

3.2 Option Awards.

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the class of Share, the price per Share to be payable upon the exercise of each such Option (the “**Option Price**”) and the relevant vesting provisions (including Performance Criteria, if applicable) and Option Term, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the TSXV.

3.3 Option Price.

The Option Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Discounted Market Price of such Shares at the time of the grant.

3.4 Option Term.

- (a) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in this Plan, or in the Option Agreement, but in no event shall an Option expire on a date which is later than 10 years from the date the Option is granted (“**Option Term**”). Unless otherwise determined by the Board, and subject to the prior approval of the TSXV, to the extent required, and a 10-year Option Term limit, all unexercised Options shall be cancelled at the expiry of such Options.
- (b) Should the expiration date for an Option fall within a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the 10th Business Day

after the end of the Black-Out Period, such 10th Business Day to be considered the expiration date for such Option for all purposes under the Plan.

3.5 Exercise of Options.

- (a) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (b) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.

3.6 Method of Exercise and Payment of Purchase Price.

- (a) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its head office to the attention of the Chief Financial Officer of the Corporation (or the individual that the Chief Financial Officer of the Corporation may from time to time designate) or give notice in such other manner as the Corporation may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, cheque or bank draft of the purchase price for the number of Shares specified therein.
- (b) Upon the exercise of an Option, the Corporation shall, as soon as practicable after such exercise but no later than 10 Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to either:
 - (i) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
 - (ii) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.

3.7 Option Agreements.

Options shall be evidenced by an Option Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of ARTICLE 3 and ARTICLE 5 hereof be included therein. The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 4 RESTRICTED SHARE UNITS

4.1 Nature of RSUs.

A RSU is an Award entitling the recipient to acquire Shares or the Cash Equivalent, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

4.2 **RSU Awards.**

- (a) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the class of Share, relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs, and (iv) determine whether each such RSU shall entitle the Participant to (A) receive one Share issued from treasury, (B) receive the Cash Equivalent of one Share, or (C) elect to receive either one Share from treasury, the Cash Equivalent of one Share, or a combination thereof, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (b) The RSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor provision thereto.
- (c) RSUs shall be settled by the Participant at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the RSU Settlement Date.

4.3 **Restriction Period.**

The applicable restriction period in respect of a particular RSU award shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three years after the calendar year in which the Award is granted (“**Restriction Period**”). For example, the Restriction Period for a grant made in June 2020 shall end no later than December 31, 2023. Subject to the Board’s determination, any vested RSUs with respect to a Restriction Period will be paid to Participants no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 4.5) and, in any event, no later than the last day of the Restriction Period.

4.4 **Performance Criteria and Performance Period.**

- (a) For each award of RSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the RSUs held by such Participant (the “**Performance Period**”), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three years after the financial year in which the Award was granted.
- (b) For each award of RSUs, the Board shall establish any Performance Criteria and other vesting conditions which must be met during the Performance Period in order for a Participant to be entitled to receive Shares in exchange for his or her RSUs.

4.5 **RSU Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the “**RSU Vesting Determination Date**”), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than the last day of the Restriction Period.

4.6 **Settlement of RSUs.**

- (a) Except as otherwise provided in the RSU Agreement, in the event that the vesting conditions, the

Performance Criteria and Performance Period, if applicable, of an RSU are satisfied:

- (i) all of the vested RSUs covered by a particular grant may, subject to Section 4.6(d), be settled at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the date that is five (5) years from their RSU Vesting Determination Date (the “**RSU Settlement Date**”);
 - (ii) a Participant is entitled to deliver to the Corporation, on or before the RSU Settlement Date, an RSU Settlement Notice in respect of any or all vested RSUs held by such Participant; and
- (b) Subject to Section 4.6(d), settlement of RSUs shall take place promptly following the RSU Settlement Date, and in any event no later than one year from the Termination Date, or such shorter time period as prescribed by the Board or this Plan, and take the form set out in the RSU Settlement Notice through:
- (i) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (ii) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant’s name on the share register for the Shares (or in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Shares); or
 - (iii) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (i) and (ii) above.
- (c) If an RSU Settlement Notice is not received by the Corporation on or before the RSU Settlement Date, the Board shall have the sole and absolute discretion to elect to settle the applicable RSUs for the Cash Equivalent of RSUs, Shares issued from treasury, or any combination thereof.
- (d) Notwithstanding any other provision of this Plan, in the event that an RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation and the Participant has not delivered an RSU Settlement Notice, then such RSU Settlement Date shall be automatically extended to the 10th Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

4.7 **Determination of Amounts.**

- (a) **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 4.6, such calculation will be made on the RSU Settlement Date and shall equal the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant’s Account which the Participant desires to settle in cash pursuant to the RSU Settlement Notice.
- (b) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 4.6, such calculation will be made on the RSU Settlement Date and will be the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant’s Account which the Participant desires to settle pursuant to the RSU Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Shares.

4.8 **RSU Agreements.**

RSUs shall be evidenced by a RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of ARTICLE 4

and ARTICLE 5 hereof be included therein. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 5 GENERAL CONDITIONS

5.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (a) **Employment.** The granting of an Award to a Participant shall not impose upon the Corporation or an Affiliate any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (b) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) (or in the case of Shares issued in uncertificated form, receipt of evidenced of a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Shares). Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Share certificate is issued (or in the case of Shares issued in uncertificated form, such book position on the register is evidenced, as applicable).
- (c) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (d) **Transferrable Awards.** Except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

5.2 Termination of Employee, Director or Consultant

Subject to Section 5.3, unless otherwise determined by the Board or as set forth in a Grant Agreement:

- (a) unless otherwise provided this Section 5.2, if a Participant shall cease to be an Eligible Participant for any reason, then:
 - (i) each Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date; and
 - (ii) all Awards held by the Participant that have vested as of the Termination Date shall: (i) in the case of a RSU, be settled in accordance with ARTICLE 4; and (ii) in the case of an Option, be exercised in accordance with ARTICLE 3, at any time during the period that terminates on the earlier of: (A) the Option's expiry date, and (B) the 90th day after the Termination Date. Any Option or SAR that remain unexercised shall be immediately forfeited upon the termination of such period;

- (b) if a Participant's employment or services are terminated by the Corporation or an Affiliate of the Corporation for Cause, then any unexercised vested or unvested Award held by the Participant is immediately forfeited and cancelled as of the Termination Date;
- (c) if a Participant's employment or services are terminated by reason of the death of the Participant or the Participant becomes Disabled, then each Award held by the Participant that has not vested as of the date of the death or Disability, as applicable, of such Participant shall vest on such date, and (a) in the case of a RSU, be settled in accordance with ARTICLE 4; and (b) in the case of an Option, be exercised in accordance ARTICLE 3, at any time during the period that terminates on the earlier of: (i) the Option's expiry date, and (ii) the first anniversary of the date of the death or Disability of the Participant. Any Option that remain unexercised shall be immediately forfeited upon the termination of such period;
- (d) a Participant's eligibility to receive further grants of Awards under this Plan ceases as of:
 - (i) the date that the Corporation or an Affiliate of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment or services are terminated in the circumstances contemplated by this Section 5.2, notwithstanding that such date may be prior to the Termination Date; or
 - (ii) the date of the death or Disability of the Participant; and
- (e) notwithstanding Subsection (a), unless the Board, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment agreement or arrangement, or directorship within or among the Corporation or an Affiliate of the Corporation for so long as the Participant continues to be a director, employee or consultant, as applicable, of the Corporation or an Affiliate of the Corporation. For clarity and by way of example only, subject to the Board's discretion, if a director ceases to be a director but becomes or remains a consultant, the Awards held by such Participant will not be affected by ceasing to be a director.

5.3 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 5.2, the Board, in its discretion, subject to shareholder and TSXV approval, as and when required, may at any time prior to, or following the events contemplated in such Section, or in an Employment Agreement or other written agreement between the Corporation or an Affiliate of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards, all in the manner and on the terms as may be authorized by the Board, and if such discretion is taken and the vesting of any or all Awards occurs, then such Awards will be settled in accordance with the terms hereof.

ARTICLE 6 ADJUSTMENTS AND AMENDMENTS

6.1 Adjustment to Shares Subject to Outstanding Awards.

- (a) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (b) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation

shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.

- (c) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 6.1(a) or Section 6.1(b) hereof or, subject to the provisions of Section 6.2(d) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 6.2(d) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.
- (d) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares by way of a dividend or otherwise of other securities in the capital of the Corporation, cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants’ economic rights in respect of their Awards in connection with such distribution, transaction or change.

6.2 **Amendment or Discontinuance of the Plan.**

- (a) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
 - (i) not adversely alter or impair any Award previously granted except as permitted by the provisions of ARTICLE 7 hereof;
 - (ii) be subject to any regulatory approvals including, where required, the approval of the TSXV; and
 - (iii) be subject to shareholder approval, where required by law or the requirements of the TSXV, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - (A) amendments of a “housekeeping” nature;
 - (B) a change to the vesting provisions of any Award; and
 - (C) a change or amendment required by the TSXV.

- (b) Notwithstanding Section 6.2(a)(ii), the Board shall be required to obtain disinterested shareholder approval to make the following amendments:
 - (i) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4 and in the event of an adjustment pursuant to ARTICLE 7;
 - (ii) any amendment which reduces the exercise price of any Award granted to an Insider, as applicable, after such Awards have been granted or any cancellation of an Award granted to an Insider and the substitution of that Award by a new Award with a reduced price, except in the case of an adjustment pursuant to ARTICLE 7;
 - (iii) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black- Out Period;
 - (iv) amend the limitations on the maximum number of Shares reserved or issued to Insiders under of Section 2.4 or Section 2.5;
 - (v) any amendment which would permit a change to the Eligible Participants, including a change which would have the potential of broadening or increasing participation by Insiders; or
 - (vi) any amendment to the amendment provisions of the Plan,

provided that Shares held directly or indirectly by Insiders benefiting from the amendments in Sections (i), (ii), (iii), and (iv) shall be excluded when obtaining such shareholder approval.
- (c) Notwithstanding anything contained to the contrary in the Plan, the Board shall be required to obtain disinterested shareholder approval to make the following amendments:
 - (ii) any change to the termination provisions contained herein in respect of when Awards are forfeited or cancelled, as applicable, following a Termination Date; and
 - (iii) any changes to participants eligible to participate in the Plan as “Eligible Participants”.
- (d) Notwithstanding anything contained to the contrary in the Plan, in a Grant Agreement contemplated herein, but subject to any specific provisions contained in any Employment Agreements, in the event of a Change in Control, a reorganization of the Corporation, an amalgamation of the Corporation, an arrangement involving the Corporation, a take-over bid (as that term is defined in the *Securities Act* (British Columbia)) for all of the Shares or the sale or disposition of all or substantially all of the property and assets of the Corporation, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances, including, without limitation, changing the Performance Criteria and/or other vesting conditions for the Awards and/or the date on which any Award expires or the Restriction Period, the Performance Period, the Performance Criteria and/or other vesting conditions for the Awards. The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant’s employment shall not apply for any reason acceptable to the Board.
- (e) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan

ARTICLE 7 MISCELLANEOUS

7.1 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to

administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

7.2 Tax Withholding.

- (a) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (b) Notwithstanding Section 7.2(a), the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

7.3 Reorganization of the Corporation.

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

7.4 Personal Information

Each Participant shall provide the Corporation and the Board with all information they require in order to administer the Plan. The Corporation and the Board may from time to time transfer or provide access to such information to a third party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing such services to the Corporation. By participating in the Plan, each Participant acknowledges that information may be so provided and agrees to its provision on the terms set forth herein. Except as specifically contemplated in this Section 7.4, the Corporation and the Board shall not disclose the personal information of a Participant except: (i) in response to regulatory filings or other requirements for the information by a governmental authority with jurisdiction over the Corporation; (ii) for the purpose of complying with a subpoena, warrant or other order by a court, person or body having jurisdiction to compel production of the information; or (iii) as otherwise required by law. In addition, personal information of Participants may be disclosed or transferred to another party during the course of, or completion of, a change in ownership of, or the grant of a security interest in, all or a part of the Corporation or its Affiliates including through an asset or share sale, or some other form of business combination, merger or joint venture, provided that such party is bound by appropriate agreements or obligations.

7.5 Governing Laws.

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

7.6 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the Audit Committee is to assist the Company's board of directors (the "**Board of Directors**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting, and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- (a) Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- (b) Review and appraise the performance of the Company's external auditors.
- (c) Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Audit Committee will be comprised of at least three directors as determined by the Board of Directors, the majority of whom will not be officers, employees or control persons of the Company or of an affiliate of the Company.

At least one member of the Audit Committee will have Canadian financial reporting skills and experience with audit engagements for public companies. All members of the Audit Committee will be financially literate. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Audit Committee will be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership. The Chair of the Audit Committee must have Canadian financial reporting skills and experience with audit engagements for public companies.

Meetings

The Audit Committee will meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee will:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who will be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, in accordance with any applicable regulatory requirements.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At least annually, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements, and discuss any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- (iii) such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting Processes

- (a) Review the draft financial statements and management's discussion and analysis with respect to each reporting period and provide a recommendation to the Board of Directors with respect to the approval of the financial statements and management's discussion and analysis.
- (b) Prior to approving the annual financial statements, review the results of management's evaluation of the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures as at the date of the Company's annual financial statements.
- (c) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (d) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (e) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (f) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (g) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (h) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (i) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (j) Review any complaints or concerns about any questionable accounting, internal accounting

controls or auditing matters.

(k) Review certification process.

(l) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Effective Date

This Charter was implemented by the Board on August 13, 2020.