

AUKA CAPITAL CORP.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF
SHAREHOLDERS
TO BE HELD ON JANUARY 20, 2025**

AND

**MANAGEMENT INFORMATION
CIRCULAR**

DATED DECEMBER 16, 2024

AUKA CAPITAL CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares (the "**Common Shares**") of Auka Capital Corp. (the "**Corporation**") will be held at the offices of Gowling WLG (Canada) LLP, Suite 1600 – 421 7th Avenue S.W., Calgary, Alberta T2P 4K9 on January 20, 2025 at 10:00 a.m. (Calgary time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal year ended December 31, 2023, together with the report of the auditors thereon;
2. to (i) appoint Hayden Beck, CPA, as the auditor of the Corporation for the ensuing year and to authorize the board of directors to fix such auditor's remuneration (the "**Auka Auditor Resolution**"), and (ii) to consider and, if deemed appropriate, to approve with or without variation an ordinary resolution to be conditional on, and to take effect only in the event that the Business Combination (as defined in the circular accompanying this notice of meeting) closes, to appoint EBT Chartered Professional Accountants as auditor for the Resulting Issuer (as defined in the circular accompanying this notice of meeting) and to authorize the board of directors of the Resulting Issuer to fix such auditor's remuneration (the "**Resulting Issuer Auditor Resolution**", and together with the Auka Auditor Resolution the "**Auditor Resolutions**");
3. to (i) fix the number of directors of the Corporation to be elected at seven (7) (the "**Auka Board Resolution**"), and (ii) to consider and, if deemed appropriate, to approve with or without variation an ordinary resolution to be conditional on, and to take effect only in the event that the Business Combination closes, to set the number of directors of the Resulting Issuer at eight (8) (the "**Resulting Issuer Board Resolution**", and together with the Auka Board Resolution the "**Board Resolutions**");
4. to (i) elect the directors for the ensuing year, as described more particularly in the management information circular accompanying this Notice (the "**Auka Election Resolution**"), and (ii) to consider and, if deemed appropriate, to approve with or without variation an ordinary resolution to be conditional on, and to take effect only in the event that the Business Combination closes, to elect Piyush Sawhney, Sunil Goel, Anil Verma, Frank Y. Sur, Graham Barr, Jay Baraniecki, Robert Cole and Jeff Lloyd, as directors of the Resulting Issuer (the "**Resulting Issuer Election Resolution**", and together with the Auka Election Resolution the "**Director Election Resolutions**");
5. to consider and, if deemed appropriate, to approve with or without variation and conditional on and effective following the closing of the Business Combination, a special resolution approving the amendment of the articles of the Corporation to change the name of the Corporation to "Dr. Phone Fix Corporation", or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors of the Resulting Issuer (the "**Name Change**"); and
6. to transact such other business as may be properly brought before the Meeting or any postponement or adjournment thereof.

The Board Resolutions, Director Election Resolutions and the Auditor Resolutions must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

This notice of Meeting is accompanied by: (a) the management information circular of the Corporation (the "**Circular**"); and (b) either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders. **The Circular accompanying this notice of Meeting is incorporated into and shall be deemed to form part of this notice of Meeting.**

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is December 16, 2024 (the "**Record Date**"). Shareholders whose names have been

entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the enclosed form of proxy must be received by Odyssey by no later than 10:00 a.m. (Calgary time) on January 16, 2024 or, in the case of any adjournment or postponement of the Meeting, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the adjourned or postponed Meeting.

The above time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

Capitalized terms used herein which are not otherwise defined shall have the meaning given thereto in the Circular.

DATED this 16th day of December, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

"Robert Cole"

Robert Cole
Director, President and Chief Executive Officer
Auka Capital Corp.

**AUKA CAPITAL CORP.
MANAGEMENT INFORMATION CIRCULAR**

SOLICITATION OF PROXIES

This management information circular ("Circular") is provided in connection with the solicitation of proxies by management of Auka Capital Corp. (the "Corporation" or "Auka") for use at an annual and special meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") in the capital of the Corporation. The Meeting will be held at the offices of Gowling WLG (Canada) LLP, Suite 1600 – 421 7th Avenue S.W., Calgary, Alberta T2P 4K9 on January 20, 2025 at 10:00 a.m. (Calgary time), or at such other time or place to which the Meeting may be adjourned or postponed, for the purposes set forth in the notice of annual and special meeting accompanying this Circular (the "Notice").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone or other means of electronic communication. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

These securityholder materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner of Common Shares, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (a "**Proxy**"). Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy.

Unless otherwise stated, the information contained in this Circular is given as of December 16, 2024 (the "**Record Date**"). All time references in this Circular are references to Calgary time.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Proxy to Odyssey Trust Company ("Odyssey" or the "Transfer Agent") by mail or hand delivery at 1230 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4.

The persons named as proxyholders in the Proxy accompanying this Circular are directors or officers of the Corporation, or persons designated by management of the Corporation, and are representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the management nominee designated in the Proxy may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Proxy should notify such alternative nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the Proxy should be

dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy).

In order to validly appoint a proxy, Proxies must be received by Odyssey by mail or hand delivery at 1230 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4 at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment or postponement thereof. After such time, the chairman of the Meeting may accept or reject a Proxy delivered to him in his discretion but is under no obligation to accept or reject any particular late Proxy.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or Odyssey at 1230 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chairman before the proxy is exercised) and vote in person (or withhold from voting).

Signature on Proxies

The Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Proxy.

The Common Shares represented by the enclosed Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction, such Common Shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE PROXY AND BELOW. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Proxy will be voted in favour of the election of director nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of importance to Shareholders who do not hold Common Shares in their own name. Shareholders who hold their Common Shares through brokers, intermediaries, trustees or other persons, or who

otherwise do not hold their Common Shares in their own name ("**Beneficial Shareholders**") should note that only Proxies deposited by Shareholders who are registered Shareholders (that is, Shareholders whose names appear on the records maintained by the registrar and Transfer Agent for the Common Shares as registered Shareholders) will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers (or their agents and nominees) are prohibited from voting shares for the broker's clients. Subject to the following discussion in relation to NOBOs (as defined herein), the Corporation does not know for whose benefit the shares of the Corporation registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders for the purposes of applicable securities regulatory policy in relation to the mechanism of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and the request for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners ("**NOBOs**") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. **Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation.** Objecting beneficial owners ("**OBOs**") are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice, this Circular and a voting instruction form or a Proxy, as applicable (collectively, the "**Meeting Materials**"), directly to NOBOs and indirectly through intermediaries to OBOs. NI 54-101 permits the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and use such NOBO list for the purpose of distributing the Meeting Materials directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver Meeting Materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Corporation is sending the Meeting Materials directly to NOBOs and indirectly through intermediaries to OBOs. The Corporation will pay the fees and expenses of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

Odyssey has used a NOBO list to send the Meeting Materials directly to NOBOs whose names appear on that list. If Odyssey has sent these materials directly to a NOBO, such NOBO's name and address and information about its holdings of Common Shares have been obtained from the intermediary holding such shares on the NOBO's behalf in accordance with applicable securities regulatory requirements. As a result, any NOBO of the Corporation can expect to receive a voting instruction form from Odyssey. NOBOs should complete and return the voting instruction form to Odyssey in the envelope provided. Odyssey will tabulate the results of voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by such voting instruction forms.

Applicable securities regulatory policy requires intermediaries, on receipt of Meeting Materials that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings on Form 54-101F7 – *Request for Voting Instructions Made by Intermediaries* ("**Form 54-101F7**"). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting or any adjournment(s) or postponement(s) thereof. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to attend at the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is

written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a voting instruction form in lieu of the form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Broadridge will then provide aggregate voting instructions to Odyssey, which tabulates the results and provides appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment or postponement thereof.

By choosing to send the Meeting Materials to NOBOs directly, Odyssey (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for: (i) delivering these Meeting Materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All references to Shareholders in this Circular and the accompanying Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

BUSINESS COMBINATION

The Business Combination

On November 7, 2024, the Corporation and Dr. Phone Fix Canada Limited. ("**DPF**") entered into an amended and restated business combination agreement (the "**Definitive Agreement**") whereby the Corporation, DPF and the Corporation's wholly-owned subsidiary, 2629911 Alberta Inc. ("**Subco**"), will amalgamate (the "**Amalgamation**") to complete the Corporation's "Qualifying Transaction" (as defined in Policy 2.4 of the TSX Venture Exchange ("**TSXV**")) (the "**Business Combination**"). Pursuant to the terms of the Definitive Agreement, at the effective time of the Amalgamation, DPF will amalgamate with Subco to form an amalgamated entity, which will continue as a wholly-owned subsidiary of the Corporation (the "**Resulting Issuer**"). In connection with the completion of the Amalgamation, each holder of common shares of DPF ("**DPF Shares**") shall exchange their DPF Shares for common shares in the capital of the Resulting Issuer ("**Resulting Issuer Shares**") on the basis of 11.4402330114547 fully paid and non-assessable Resulting Issuer Shares for every one (1) DPF Share held, at a deemed price of approximately \$1.37282796137456 per DPF Share. The deemed value of each Resulting Issuer Share issued to holders of DPF shares under the Business Combination is \$0.12 per share.

In connection with the Business Combination, it is intended that the Resulting Issuer will be renamed as "Dr. Phone Fix Corporation", or such other similar name as may be accepted by the relevant regulatory authorities and approved by the Corporation and DPF. It is intended the Resulting Issuer will continue the business of DPF.

Closing of the Business Combination is subject to a number of conditions precedent under the Definitive Agreement including, among others, (i) completion of the Private Placement (as defined herein), and (ii) receipt of all requisite regulatory, stock exchange or governmental authorizations and consents, including the approval of the TSXV.

Following completion of the Business Combination, the shareholders of DPF will hold a significant majority of the outstanding Resulting Issuer Shares. The Business Combination is subject to the receipt of all necessary regulatory and shareholder approvals required by applicable corporate law, including the approval of the TSXV, as well as the satisfaction of conditions to closing as set out in the Definitive Agreement. A copy of the Definitive Agreement can be found on the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Private Placement in Connection with the Business Combination

Prior to the completion of the Business Combination, DPF is expected to complete a brokered private placement (the "**Private Placement**"), with Canaccord Genuity Corp. as the lead agent (the "**Agent**") of subscription receipts of DPF (the "**Subscription Receipts**") for maximum aggregate gross proceeds of \$3,500,000, at a price of \$1.37 per Subscription Receipt. Under the Private Placement, the Agent has been granted an option, exercisable in whole or in part any time prior to the closing of the Private Placement, to increase the size of the Private Placement by up to an additional 15%. The Subscription Receipts will be created and issued pursuant to the terms of a subscription receipt agreement (the

"**Subscription Receipt Agreement**") to be entered into among the Corporation, the Agent, DPF and Odyssey (the "**Subscription Receipt Agent**"). Each Subscription Receipt will be automatically converted, without payment of additional consideration or further action by the holder thereof, into one unit (each, a "**Unit**") comprised of one DPF Share and one-half of one common share purchase warrant of DPF (each whole warrant, a "**DPF Warrant**"), subject to adjustment in certain events, immediately before the completion of the Business Combination, upon the satisfaction or waiver of the Escrow Release Conditions (as to be defined in the Subscription Receipt Agreement) on or before a date to be mutually agreed upon by DPF and Auka (the "**Escrow Release Deadline**"). Each DPF Warrant will entitle the holder thereof to acquire one DPF Share at a price of \$2.28 per DPF Share. Each DPF Warrant issued on conversion of each Subscription Receipt will be exchanged for 11.4402330114547 warrants of the Resulting Issuer, upon closing of the Business Combination. Each DPF Share issued on conversion of each Subscription Receipt will be exchanged for 11.4402330114547 Resulting Issuer Shares upon closing of the Business Combination at a deemed price of \$1.37282796137456 per DPF Share (the "**Share Exchange**"). If the Escrow Release Conditions are not satisfied at or before the Escrow Release Deadline, each of the then issued and outstanding Subscription Receipts will be cancelled and the Subscription Receipt Agent will return to each holder of Subscription Receipts an amount equal to the aggregate purchase price of the Subscription Receipts held by such holder plus an amount equal to the holder's pro rata share of any interest or other income earned on the escrowed funds (less applicable withholding tax, if any). To the extent that the escrowed funds are insufficient to refund such amounts to each holder of the Subscription Receipts of DPF, DPF shall be liable for and will contribute such amounts as are necessary to satisfy the shortfall.

In consideration for the Agent's services in connection with the Private Placement, DPF will pay to the Agent a cash commission equal to 6.0% of the aggregate gross proceeds from the sale of the Subscription Receipts, payable in cash or Subscription Receipts. 50% of the commission will be paid on the closing date of the Private Placement with proceeds from the sale of Subscription Receipts. The remaining 50% of the commission will be deposited in escrow. As additional consideration for the services of the Agent, concurrently with the exchange of the Subscription Receipts into underlying securities (if and when), DPF and Auka will issue to the Agent warrants to purchase Units in an amount equal to 6.0% of the number of issued Subscription Receipts, which warrants shall be exercisable at any time up to 24 months following the date of issuance thereof at a price of \$1.83 per Unit (the "**Agent Warrants**"). A reduced commission equal to 3.0%, payable in cash or Subscription Receipts, is payable and a reduced number equal to 3.0% of Agent Warrants are issuable in respect of the sale of Subscription Receipts to purchasers identified by DPF or Auka to the Agent. As further consideration for the services provided in connection with the Private Placement, DPF has agreed to pay the Agent a fee of \$125,000 plus applicable taxes upon delivery by the Agent of such deliveries as are under TSXV policies.

Upon closing of the Private Placement, the aggregate gross proceeds of the Private Placement, less 50% of the cash commission and less the full amount of the Agent's reasonable expenses incurred up to and as of the closing date of the Private Placement, will be deposited in escrow with the Subscription Receipt Agent pending satisfaction or waiver of the Escrow Release Conditions, in accordance with the provisions of the Subscription Receipt Agreement. All such reasonable expenses of the Agent will be paid out of proceeds from the sale of Subscription Receipts. If the Escrow Release Conditions are not satisfied at or before the Escrow Release Deadline, each of the then issued and outstanding Subscription Receipts will be cancelled and the Subscription Receipt Agent will return to each holder of Subscription Receipts an amount equal to the aggregate purchase price of the Subscription Receipts held by such holder plus an amount equal to the holder's pro rata share of any interest or other income earned on the escrowed funds (less applicable withholding tax, if any). To the extent that the escrowed funds are insufficient to refund such amounts to each holder of the Subscription Receipts of DPF, DPF shall be liable for and will contribute such amounts as are necessary to satisfy the shortfall.

SHAREHOLDERS ARE NOT REQUIRED TO APPROVE THE BUSINESS COMBINATION. Full details regarding DPF and the Business Combination can be found in the Corporation's Form 3B2 (the "**Filing Statement**") dated November 14, 2024, which was filed with the TSXV. The Filing Statement can be found on the Corporation's SEDAR+ profile. The Business Combination is anticipated to close in February of 2025. Notwithstanding the foregoing, certain matters in connection with the Business Combination must be considered at the Meeting in order to allow the Corporation to complete the Business Combination. Failure to pass these resolutions could impede or prevent the completion of the Business Combination.

There are a number of risks associated with the Business Combination and the business of DPF, including that DPF has limited operating history and may require additional capital to succeed following closing of the Business Combination. The principal risk factors can be found in the Filing Statement.

Procedure for Exchange of Common Shares in connection with the Business Combination

Exchange Procedures

Registered Shareholders are requested to tender to the Depositary any share certificates representing existing Common Shares along with the duly completed Letter of Transmittal and all other required documents as soon as possible. As soon as practicable following the closing date of the Business Combination, the Depositary will forward to each Registered Shareholder who has sent the required documents a new share certificate representing the Common Shares to which the Registered Shareholder is entitled in connection with the Share Exchange. Registered Shareholders should not destroy any share certificates. The method of delivery of share certificates representing Common Shares and the duly completed Letter of Transmittal and all other required documents will be at the option and risk of the person surrendering them. It is recommended that such documents be delivered by hand to the Depositary, at the address noted in the Letter of Transmittal, and a receipt obtained therefore, or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained.

No new share certificates will be issued to a Registered Shareholder until such Registered Shareholder has surrendered the corresponding existing share certificates, together with a properly completed and executed Letter of Transmittal, to the Depositary. Registered Shareholders will need to surrender their existing share certificates before they will be able to sell or transfer the Resulting Issuer Shares that they are entitled to following the completion of the Business Combination.

If the Business Combination is completed and the Board Resolutions, Director Election Resolutions and the Auditor Resolutions are approved, Intermediaries will be instructed to process the Share Exchange for Beneficial Shareholders holding Common Shares indirectly. However, such Intermediaries may have different procedures than Registered Shareholders for processing the Share Exchange. If you are a Beneficial Shareholder and hold your Common Shares through an Intermediary and if you have any questions in this regard, you are encouraged to contact your Intermediary.

Treatment of Fractional Shares

In no event shall any Shareholder be entitled to a fractional Resulting Issuer Share. Where the aggregate number of Resulting Issuer Shares to be issued to a Registered Shareholder under the Share Exchange would result in a fraction of a Resulting Issuer Share being issuable that is less than one half of one Resulting Issuer Share, the fractional Resulting Issuer Share will be cancelled for no consideration.

Lost Certificates

If a share certificate representing Common Shares has been lost, stolen or destroyed, the Letter of Transmittal should be completed as fully as possible and forwarded by the Registered Shareholder to the Depositary together with correspondence stating that the original share certificate representing the Common Shares has been lost, stolen or destroyed, as applicable. The Depositary will respond with replacement instructions (which may include a bonding requirement).

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Shareholders of record as of December 16, 2024 (the "**Record Date**") are entitled to receive notice and attend and vote at the Meeting, either in person or by proxy. As at the date of this Circular, the Corporation has 12,500,000 Common Shares issued and outstanding. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting.

The following table sets forth the persons who own, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation on a fully diluted basis as at the date of this Circular:

Name of Shareholder	Percentage of Shares Held
Frank Y. Sur	10.8%

As at the date of this Circular, the current Directors and senior officers of the Corporation, as a group, beneficially owned, directly or indirectly, 4,250,000 Common Shares, constituting 34% of the issued and outstanding Common Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate of any of the foregoing persons has been indebted to the Corporation at any time since the commencement of the Corporation's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Corporation at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no Director or executive officer of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time since the beginning of the financial year ended December 31, 2023 any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

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

Except as disclosed in this Circular, no Director or executive officer of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any of the persons who have been Directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any 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 Director).

EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and Directors of the Corporation in connection with their office or employment with the Corporation is made in accordance with the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations*. Disclosure is required to be made in relation to "**Named Executive Officers**" (as defined below).

For the purpose of this Circular:

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

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

"**Named Executive Officer**" or "**NEO**" means: (a) a CEO; (b) a CFO; (c) the Corporation's most highly compensated executive officers or the most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* for that financial year; and (d) each individual who would be a NEO under paragraph (c) but for the fact that the

individual was neither an executive officer of the Corporation, nor acting in a similar capacity at the end of the most recently completed financial year.

During the financial year ended December 31, 2023 the Corporation had two Named Executive Officers, namely Robert Cole, President and CEO, and Michael Kaiser, CFO.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

Director and NEO Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*) sets forth all annual and long-term compensation for services paid to or earned by each NEO and director for the most recently completed financial year ended December 31, 2023, excluding compensation securities.

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer, commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Robert Cole <i>Director, President and CEO</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
Michael Kaiser <i>Director and CFO</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
Frank Y. Sur <i>Director and Corporate Secretary</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
Dave Muddle <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
Jeff Lloyd <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
Ralf Kaiser <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
Jay Baraniecki <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

During the fiscal year ended December 31, 2023, in connection with the initial public offering of the Common Shares of the Corporation, the Corporation granted 453,250 stock options to its directors and NEOs.

The following table sets forth all compensation securities granted or issued to each NEO and director by the Corporation in the most recently completed financial year ended December 31, 2023, for services provided or to be provided, directly or indirectly, to the Corporation:

Compensation Securities							
Name and position	Type of compensation security ¹	Number of compensation securities, number of underlying securities, and percentage of class ²	Date of issue, grant or modification (dd/mm/yy)	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 (dd/mm/yy)
Robert Cole <i>Director, President and CEO</i>	Stock Option	138,250 (11.4%)	11/01/23	\$0.10	\$0.11	\$0.10	11/01/33
Michael Kaiser <i>Director and CFO</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Frank Y. Sur <i>Director and Corporate Secretary</i>	Stock Option	87,500 (7.2%)	11/01/23	\$0.10	\$0.11	\$0.10	11/01/33
Dave Muddle <i>Director</i>	Stock Option	78,750 (6.5%)	11/01/23	\$0.10	\$0.11	\$0.10	11/01/33
Jeff Lloyd <i>Director</i>	Stock Option	43,750 (3.6%)	11/01/23	\$0.10	\$0.11	\$0.10	11/01/33
Ralf Kaiser <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jay Baraniecki <i>Director</i>	Stock Option	105,000 (8.7%)	11/01/23	\$0.10	\$0.11	\$0.10	11/01/33

Notes:

- (1) All stock options fully vest on the date that they are issued.
- (2) Each stock option is convertible into one (1) Common Share. Percentage of class is in relation to number of Auka stock options currently outstanding.

The total number of compensation securities, and underlying securities, held by each NEO and director as of December 31, 2023 are:

Name and position	Type of compensation security	Number of compensation securities	Number of underlying securities
Robert Cole <i>Director, President and CEO</i>	Stock Option	269,400	269,400
Michael Kaiser <i>Director and CFO</i>	Stock Option	116,845	116,845
Frank Y. Sur <i>Director and Corporate Secretary</i>	Stock Option	279,830	279,830
Dave Muddle <i>Director</i>	Stock Option	119,985	119,985

Jeff Lloyd <i>Director</i>	Stock Option	148,680	148,680
Ralf Kaiser <i>Director</i>	Stock Option	73,680	73,680
Jay Baraniecki <i>Director</i>	Stock Option	203,705	203,705

During the year ended December 31, 2023, no compensation securities were re-priced, cancelled and replaced, had the term extended, or were otherwise materially modified. During the year ended December 31, 2023, there were no stock options or other compensation securities exercised by any director or NEO of the Corporation. A copy of the audited financial statements of the Corporation for the year ended December 31, 2023, are attached as *Schedule "B"* to this Circular.

External Management Companies

None of the NEOs or directors of the Corporation have been retained or employed by an external management company that has entered into an understanding, arrangement or agreement with the Corporation to provide executive management services to the Corporation, directly or indirectly.

Employment, Consulting and Management Agreements

The Corporation does not have any contracts, agreements, plans or arrangements that provide for payments to a director or NEO.

The Corporation does not have any contracts, agreements, plans or arrangements that provide for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

The Corporation currently does not pay directors who are not employees or officers of the Corporation for attending directors' meetings or for serving on committees. The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year. None of the Corporation's directors have received any cash compensation for services provided in their capacity as directors during the Corporation's most recently completed financial year.

Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans

The Corporation currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its officers or Directors of the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out securities authorized for issuance under equity compensation plans of the Corporation as at December 31, 2023.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans
----------------------	---	--	--

Equity compensation plans approved by securityholders	1,250,000	\$0.10	37,875
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
TOTAL	Nil	Nil	Nil

CORPORATE GOVERNANCE DISCLOSURE

Corporate Governance

Corporate governance relates to the activities of the board of directors of the Corporation (the "**Board**"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Corporation's activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The Board is responsible for monitoring the Corporation's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

As of the date of this Circular, the Board consists of three independent members, being Jeff Lloyd, Jay Baraniecki and Dave Muddle and four non-independent members being Frank Y. Sur, Robert Cole, Ralf Kaiser and Michael Kaiser.

Directorships

The following table sets forth the directors of the Corporation who currently hold directorships in other reporting issuers:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Position	Term
	INDVR Brands Inc. (formerly Cannabis One Holdings Inc.) (CSE)	Director	October 2018 – February 2021

Frank Y. Sur	ApartmentLove Inc. (CSE)	Director	March 2022 - Present
	Artrari One Capital Corp. (TSXV)	Director	March 2023 - Present

Orientation and Continuing Education

Each new director is given an outline of the nature of the Corporation's business, its corporate strategy and current issues within the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as director of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and stock exchange policies. Any such changes or new requirements are then brought to the attention of the Corporation's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. Further, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board 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's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Compensation

As noted above, the Board is responsible for all compensation decisions, and the Board does not currently have a compensation committee.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Corporation's Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

AUDIT COMMITTEE

Pursuant to section 171(1) of the *Business Corporations Act* (Alberta), the policies of the TSXV and National Instrument 52-110 Audit Committees ("NI 52-110"), the Corporation is required to have an Audit Committee comprised of not less

than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. See *Schedule "A" - Audit Committee Charter*.

Composition of the Audit Committee

As of the date of this Circular, the Audit Committee is comprised of:

Jay Baraniecki	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Michael Kaiser	Not-Independent ⁽¹⁾	Financially literate ⁽¹⁾
Dave Muddle	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

(1) As defined in NI 52-110.

Relevant Education and Experience

Jay Baraniecki

Mr. Baraniecki is a utility executive with over 20 years of experience and is currently holds the position of Vice President, Commercial Development at EPCOR Utilities Inc. In his current position Mr. Baraniecki is accountable for providing senior leadership to EPCOR's Commercial Development operations in Canada which primarily involves business development (origination), contract development and negotiation and integration of new commercial development projects and utility acquisitions. Prior to assuming his current role, Mr. Baraniecki was the Director, Technologies from February 2022 to January 2023 and Director, Energy Services leading EPCOR Utilities Inc.'s Energy Services Division that primarily provides billing and customer care services for EPCOR's regulated electricity customers. From August 2003 through June 2016, Mr. Baraniecki held progressively increasing roles in Regulatory Affairs for EPCOR Utilities Inc. Electricity Services functions, concluding with the role of Director, Regulatory Affairs and Business Planning. In this role, he was responsible for the development and execution of regulatory strategies and applications for EPCOR Distribution & Transmission Inc.'s distribution and transmission functions and EPCOR Energy Alberta GP Inc. (Energy Services).

Mr. Baraniecki also served as the Board Chair for UpRyze Cannabis Ltd., a fully licensed microcultivation and micro-processing cannabis company in Acheson, Alberta, from August 2019 to November 2023.

Michael Kaiser

Mr. Kaiser is a senior associate at Deloitte, in Vancouver, British Columbia. Prior to his current position, Mr. Kaiser worked at KV Capital, in Edmonton, Alberta.

Mr. Kaiser graduated with a Bachelor of Commerce from the University of Alberta with a major in Finance. Mr. Kaiser has both the Charter Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations.

Dave Muddle

Dave Muddle is the founder and current Managing Partner of the M Consulting Group, a professional management consultancy specializing in strategy and organizational design and development. Prior to starting M Consulting, Mr. Muddle was a senior executive in the Public Service of Canada, where he managed and led a large portfolio of several regulatory and health-based programs for Health Canada. He was based in western Canada but managed several national and international files, particularly in areas of emerging and novel technologies.

He currently serves on several boards including as the Vice-Chair of the Institute of Certified Management Consultants of Alberta. He is a sessional instructor in the University of Alberta's MBA program, teaching courses on strategic management in the public sector, as well as doing business with public sector entities.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

External Auditor Service Fees (By Category)

Aggregate fees paid to its auditor during the financial years ended December 31, 2023 were as follows:

Financial Year Ended	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2023	\$16,029	Nil	Nil	Nil

Notes:

1. Aggregate audit fees billed.
2. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
3. Fees charged (or estimated charges) for tax compliance, tax advice and tax planning services.
4. Fees for services other than disclosed in any other column.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The Board has approved the audited financial statements of the Corporation for the fiscal year ended December 31, 2023, together with the auditors' report thereon, and the corresponding Management's Discussion and Analysis, all of which will be tabled at the Meeting. Copies of these financial statements have been sent to those Shareholders, who had requested receipt of same, and are also available on SEDAR+. **No approval or other action needs to be taken at the Meeting in respect of these documents.**

2. Appointment of Auditor

The current auditor of the Corporation is Hayden Beck, CPA of Calgary, Alberta.

At the Meeting, the Shareholders will be asked to approve the appointment of Hayden Beck, CPA, as independent auditor of the Corporation to hold office until the next annual general meeting of Shareholders, or until a successor is appointed or until the Business Combination is completed, at a remuneration to be fixed by the Board.

Unless otherwise directed, the Common Shares represented by proxies in favour of the management designees will be voted FOR the appointment of Hayden Beck, CPA, as auditor of the Corporation at a remuneration to be fixed by the board of directors of the Corporation.

The Board unanimously recommends that Shareholders vote FOR the appointment of Hayden Beck, CPA at the Meeting.

3. Fixing the Number of Directors

Pursuant to the *Business Corporations Act* (Alberta) and the Corporation's Articles and TSXV Policy 3.1, the Corporation is required to have at least three (3) directors and there are currently seven (7) directors on the Corporation's board of directors. At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting of shareholders, or until the Business Combination is completed, or until their successors are elected or appointed be set at seven (7).

Unless otherwise directed, the Common Shares represented by proxies in favour of the management designees will be voted FOR setting the number of directors to be elected at seven (7).

The Board unanimously recommends that Shareholders vote FOR fixing the number of directors to be elected at seven (7) at the Meeting.

4. Election of Directors

All current directors of the Corporation cease to hold office immediately before the election or appointment of directors at the Meeting but are eligible for re-election or re-appointment. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Alberta) or the Articles of the Corporation, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

It is proposed that the below stated nominees be elected at the Meeting as directors of the Corporation for the ensuing year or, if the Business Combination is completed, until the completion of such Business Combination. The director nominees include Frank Y. Sur, Robert Cole, Jay Baraniecki, Michael Kaiser, Ralf Kaiser, Jeff Lloyd and Dave Muddle, all of whom are current directors of the Corporation.

The persons designated in the enclosed form of proxy, unless otherwise directed, intend to vote FOR the election to the Board of the nominees listed below. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

The information below concerning the proposed nominees has been furnished by each of them:

Name, Province or State and Country of Residence and Present Office Held	Periods Served as Director	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
Robert Cole <i>Director, President and CEO</i>	August 2021 - Present	950,000	Principal at Tytata Holdings Inc.
Michael Kaiser <i>Director and CFO</i>	August 2021 - Present	200,000	Senior Associate, KV Capital Inc.

Frank Y. Sur <i>Director and Corporate Secretary</i>	August 2021 - Present	1,200,000	Partner and lawyer in good standing at Gowling WLG (Canada) LLP
Dave Muddle <i>Director</i>	August 2021 - Present	100,000	Founder & Consultant, David J Muddle Consulting Inc.; Founder & Managing Partner, M Consulting Group
Jeff Lloyd <i>Director</i>	August 2021 - Present	500,000	President, Almita Piling Inc.
Ralf Kaiser <i>Director</i>	August 2021 - Present	500,000	President, Parsl.co; CEO, Integrated Compliance Solutions LLC
Jay Baraniecki <i>Director</i>	August 2021 - Present	800,000	Vice President, Commercial Development for EPCOR Utilities Inc.

Notes:

1. The information as to Common Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually. A breakdown of the beneficial ownership of the directors is set out in the Filing Statement.

Corporation Cease Trade Orders and Bankruptcy

Other than as set out below, as the date of this Circular and within the ten years before the date of this Circular, no proposed director, officer or promoter is or has been a director, officer or promoter of any person or company that, while that person was acting in that capacity:

- a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or
- b) 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, state the fact.

On July 16, 2024, ApartmentLove Inc. ("APLV") received a management cease trade revocation order from the Alberta Securities Commission restricting trading and purchasing in respect of all securities of APLV, for not filing its annual audited financial statements and annual management's discussion and analysis and certification of the annual filings for the year ended December 31, 2023, and its interim unaudited financial reports and interim management's discussion and analysis and certification of the interim filings for the interim period ended March 31, 2024. This management cease trade order is still in effect. Frank Sur, a proposed director and the proposed Corporate Secretary of the Resulting Issuer, was a director of APLV at the time that the management cease trade revocation order was issued and is currently a director of APLV.

Bankruptcies

In March, 2021, GS E&R Canada Inc. ("**E&R Canada**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to subsection 50.4(1) of the Bankruptcy and Insolvency Act with the Office of the Superintendent of Bankruptcy. E&R Canada engaged in a sales investment solicitation process with assistance by Sayer Energy Advisors and MNP Ltd. (as proposal trustee) whereby E&R Canada negotiated and executed a Purchase and Sale Agreement with Bench Creek Resources Ltd. An interim distribution order was granted by the Court of Kings Bench of Alberta authorizing MNP Ltd., as trustee, to pay out the proceeds from the proposals as dividends to all unsecured creditors having a proven claim. All creditors of E&R Canada who filed proofs of claim in the proposal were fully repaid. E&R Canada was dissolved effective January 2, 2023 and is not currently carrying on business or incurring any liabilities. Frank Sur, a proposed director and the proposed Corporate Secretary of the Resulting Issuer, was a director of E&R Canada at the time that the NOI.

In January, 2016, Great Prairie Energy Services Inc. ("**Great Prairie**") was placed into receivership due to revenue losses associated with declined oil and gas prices. Grant Thornton Ltd. was appointed as receiver by the Court of Queens Bench of Alberta. Great Prairie has since shut down and does not currently have any existing operations. Frank Sur, a proposed director and the proposed Corporate Secretary of the Resulting Issuer, resigned as a director of Great Prairie in April, 2025, prior to Great Prairie entering into receivership.

To the knowledge of the Corporation, no proposed director:

- a) 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;
- b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

5. Fixing the Number of Directors in connection with the Business Combination

The Resulting Issuer Board Resolution (as defined in the Notice) is by its terms conditional and effective only upon the completion of the Business Combination. At the Meeting it is proposed that, immediately upon completion of the Business Combination, the number of directors to be elected to hold office until the next annual meeting of shareholders, or until their successors are elected or appointed be set at eight (8) directors.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Common Shares represented by such form of Proxy FOR the Resulting Issuer Board Resolution. If you do not specify how you want your Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Resulting Issuer Board Resolution.

The Board unanimously recommends that Shareholders vote FOR the Resulting Issuer Board Resolution at the Meeting.

6. Election of Directors in connection with the Business Combination

At the Meeting, the Shareholders will be asked to elect, conditional and effective only upon the completion of the Business Combination, Piyush Sawhney, Sunil Goel, Anil Verma, Frank Y. Sur, Graham Barr, Jay Baraniecki, Robert Cole and Jeff Lloyd (collectively, the "**Resulting Issuer Board Nominees**") as directors of the Corporation.

Management of the Corporation does not contemplate that any of the Resulting Issuer Board Nominees will be unable to serve as a director upon the completion of the Business Combination. It is a condition precedent to the completion of the Business Combination that the Shareholders approve the Resulting Issuer Election Resolution. If the Resulting Issuer Election Resolution does not receive the requisite approval, the Business Combination will not proceed, unless such condition precedent is waived by DPF.

THE RESULTING ISSUER ELECTION RESOLUTION WILL ONLY BE EFFECTIVE IN THE EVENT THAT THE BUSINESS COMBINATION IS SUCCESSFULLY COMPLETED.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the Common Shares represented by such form of Proxy FOR the Resulting Issuer Election Resolution. If you do not specify how you want your Common Shares voted at the Meeting, the persons designated as proxyholders in the accompanying form of Proxy will cast the votes represented by your proxy at the Meeting FOR the Resulting Issuer Election Resolution.

The Board unanimously recommends that Shareholders vote FOR the Resulting Issuer Election Resolution at the Meeting.

See below for detailed information concerning the Resulting Issuer Board Nominees.

Resulting Issuer Board Nominees

The following table sets forth the name of each of the persons proposed to be nominated as the Resulting Issuer Board Nominees, all positions and offices expected to be held by the nominees with the Resulting Issuer, upon completion of the Business Combination, the nominees' municipality and country of residence, principal occupation, and the number and percentage of Resulting Issuer Shares which are expected to be beneficially owned by the nominees, directly or indirectly, or over which control or direction is exercised, upon completion of the Business Combination:

Name and Place of Residence	Expected Positions with the Resulting Issuer and Date First Appointed to the Board⁽¹⁾	Current Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled⁽²⁾
Piyush Sawhney <i>Edmonton, Alberta</i>	Chief Executive Officer and Director As of date of closing of the Business Combination	Founder and Chief Executive Officer of DPF since August 2019	62,660,808 (37.15%)
Sunil Goel <i>Edmonton, Alberta</i>	President and Director As of date of closing of the Business Combination	President, DPF since September 2021	24,972,735 (14.81%)
Anil Verma <i>Edmonton, Alberta</i>	Vice President, Store Development and Director As of date of closing of the Business Combination	Vice President, Store Development of DFP since 2021	24,972,735 (14.81%)
Frank Y. Sur <i>Calgary, Alberta</i>	Corporate Secretary and Director As of date of closing of the Business Combination	Partner and lawyer in good standing at Gowling WLG (Canada) LLP since 2007	1,200,000 (0.07%)

Graham Barr <i>Edmonton, Alberta</i>	Independent Director As of date of closing of the Business Combination	Managing Partner and lawyer in good standing at BARR LLP since 2015	3,750,005 (2.22%)
Jay Baraniecki <i>Edmonton, Alberta</i>	Independent Director As of date of closing of the Business Combination	Vice President, Commercial Development of EPCOR Utilities Inc. since 2023	800,000 (0.04%)
Robert Cole <i>Edmonton, Alberta</i>	Independent Director As of date of closing of the Business Combination	Principal at Tytata Holdings Inc. since 2022	950,000 (0.05%)
Jeff Lloyd <i>Edmonton, Alberta</i>	Independent Director As of date of closing of the Business Combination	President at Almita Piling Inc. since 2012	500,000 (0.02%)

Notes:

1. Assuming completion of the Business Combination.
2. Information concerning shares of the Resulting Issuer to be beneficially owned or controlled, directly or indirectly, by the Board Nominees on completion of the Business Combination, is set out in the Filing Statement.

Biographies

Piyush Sawhney - Director and Chief Executive Officer

Mr. Sawhney, the founder and CEO of Dr. Phone Fix is multiple award-winning, risk-taking, serial entrepreneur and thought leader playing an integral role in the growth of Canada's burgeoning cell phone repair and electronics industry. His entrepreneurial acumen and strategic vision have been instrumental in expanding the company's footprint and enhancing its service offerings.

Mr. Sawhney is a network builder and founder of two cell phone and electronics related companies in Canada. Skilled in corporate development and business expansion, sales, technical training, and supply chain development makes him a valuable asset to industry committees focused on technology innovation, business growth and consumer electronics. A cell phone veteran with over 15 years of business operational experience and strategic leadership. Mobile Zap Ltd., which he founded, was recognized by the *Financial Times*¹ as one of the 500 Fastest Growing Companies in the 'Americas' for 2024 and named by the *Globe and Mail*² as the 10th Fastest Growing Company in Canada for 2023. He's a winner of Canadian business leadership awards including the 2023 ASTech 'Game Changer' award³ and the Alberta Chambers of Commerce 2023 'Newcomer Entrepreneur' award⁴. He was a finalist in 2022 for the Ernst & Young 'Entrepreneur of the Year' award⁵ for the Prairies as well as the Canadian SME Small Business Awards 'Top Immigrant Entrepreneur' finalist⁶.

Sunil Goel - Director and President

Mr. Goel is a seasoned professional with 15 years of experience in the telecommunications industry, where he has developed a deep understanding of technology and market trends. His entrepreneurial spirit has driven him to be involved in numerous business ventures and real estate projects, showcasing his versatility and business acumen. Notably, Mr. Goel founded

¹ <https://www.ft.com/content/d4a20767-ea0f-4f8e-972d-84a513345784>

² <https://www.theglobeandmail.com/business/rob-magazine/top-growing-companies/article-canadas-top-growing-companies-2023/>

³ <https://www.astech.ca/archives/indexofpastwinners/dr-phone-fix>

⁴ [ACC Media Release: 06/16/2023 | Alberta Chambers of Commerce \(abchamber.ca\)](https://www.abchamber.ca/ACC-Media-Release-06/16/2023-Alberta-Chambers-of-Commerce-abchamber.ca)

⁵ https://www.ey.com/en_ca/entrepreneur-of-the-year-canada/meet-the-winners/prairies-2022#finalists

⁶ <https://www.globenewswire.com/en/news-release/2023/04/18/2649213/0/en/CanadianSME-Unveils-Finalists-for-the-2022-Small-Business-Awards-partnered-with-Google-Canada-Celebrating-Excellence-and-Innovation-in-the-Nation-s-SME-Sector.html>

MobilFix repair chain, establishing it as a trusted brand before successfully selling it in 2017. He holds a Bachelor of Science in Mechanical Engineering from the prestigious National Institute of Technology (NIT) Kurukshetra, one of India's premier institutes of technology, providing him with a strong technical foundation that has significantly contributed to his success in both the telecommunications and entrepreneurial sectors.

Mr. Goel is currently the President of Dr. Phone Fix Canada Limited and assists the CEO with strategic planning, contributing to the long-term vision and growth strategies of the company. He also works closely with the CEO and CFO on managing key financing arrangements, ensuring optimal financial performance. Additionally, Mr. Goel also assist the CEO with identifying new store locations, conducting thorough research, and negotiating leases to support the company's expansion efforts.

Anil Verma - Director and Vice President- Store Development

Mr. Verma brings over a decade of experience in the telecommunications industry, coupled with a robust background as an experienced residential and commercial home builder. He successfully launched and operated a Bell authorized dealership in Red Deer, AB, showcasing his entrepreneurial acumen. Mr. Verma has played a pivotal role in the build-out and development of all 35 DPF locations, demonstrating his expertise in project management and operational efficiency.

Currently, Mr. Verma oversees and coordinates all aspects of new store construction. In this capacity, he ensures that each project meets rigorous standards for quality and timeliness, managing everything from architectural design to contractor coordination and final inspections. His comprehensive approach guarantees that new stores are built to the highest specifications, enhancing the overall customer experience and supporting the company's growth objectives and standards.

Graham Barr - Director

Mr. Barr is the current managing partner of BARR LLP and has been an equity partner of the firm since 2015. Mr. Barr has 13 years of experience in Corporate and Commercial Law, specializing in commercial asset and share acquisition and sale, corporate reorganizations, commercial financing, shareholder agreements, tax implementation, leasing and lease review, and commercial real estate acquisition and sale.

Prior to practice, Mr. Barr completed a Master of Laws from the University of Toronto in the field of Health Law and was thereafter engaged as a research associate at the Health Law Institute at the University of Alberta. Prior to joining BARR LLP, Mr. Barr articulated with Ogilvie LLP in Edmonton. He is currently the National Chair of the Canadian Bar Associations Real Property Subsection and a past member of the Real Estate Practice Advisory Committee for the Law Society of Alberta.

Mr. Barr has acted as general counsel to Dr. Phone Fix Canada Limited since 2021. Mr. Barr has also served as the Board Secretary and General Counsel for UpRyze Cannabis Ltd., a fully licensed micro cultivation and micro-processing cannabis company in Acheson, Alberta, from August 2019 to March 2024. Mr. Barr has also served as a director to Phidelco Ltd., a housing corporation at the University of Alberta, since 2012.

Frank Sur - Director and Corporate Secretary

Frank Sur, current Corporate Secretary and a director of Auka, is a partner of Gowling WLG (Canada) LLP, practicing in the areas of mergers and acquisitions, capital markets, and corporate commercial, with a focus in technology, energy and mining sectors. Fluent in Korean, Frank has represented a number of Korean-based companies, as well as numerous international companies based in China and other parts of Asia, in various transactions over the years. He has sat on the boards of a number of public companies, has advised on a large number of cross-border transactions, and has represented many international companies on financings, mergers and acquisitions, and strategic partnerships.

Mr. Sur holds an LL.B. from the University of Windsor, a Juris Doctor from the University of Detroit Mercy School of Law and a bachelor's degree in arts (honours) from Queen's University.

Mr. Sur has been a director of Auka since its inception.

Jay Baraniecki - Director

Mr. Baraniecki is a utility executive with over 20 years of experience and currently holds the position of Vice President, Commercial Development at EPCOR Utilities Inc. In his current position Mr. Baraniecki is accountable for providing senior leadership to EPCOR's Commercial Development operations in Canada which primarily involves business development (origination), contract development and negotiation and integration of new commercial development projects and utility acquisitions. Prior to assuming his current role, Mr. Baraniecki was the Director, Technologies, from February 2022 to January 2023 and Director, Energy Services, leading EPCOR Utilities Inc.'s Energy Services Division that primarily provides billing and customer care services for EPCOR's regulated electricity customers. From August 2003 through June 2016, Mr. Baraniecki held progressively increasing roles in Regulatory Affairs for EPCOR Utilities Inc. Electricity Services functions, concluding with the role of Director, Regulatory Affairs and Business Planning. In this role, he was responsible for the development and execution of regulatory strategies and applications for EPCOR Distribution & Transmission Inc.'s distribution and transmission functions and EPCOR Energy Alberta GP Inc. (Energy Services).

Mr. Baraniecki has been a director of Auka since its inception where he is a member of its Audit Committee. Mr. Baraniecki also served as the Board Chair for UpRyze Cannabis Ltd., a fully licensed micro cultivation and micro-processing cannabis company in Acheson, Alberta, from August 2019 to November 2023.

Jeff Lloyd - Director

Mr. Jeff Lloyd is the President of Almita Piling, a leading North American geotechnical provider. Prior to his current position, Mr. Lloyd worked at a New York Stock Exchange listed international consulting firm based in Edmonton, Alberta as its vice president of Corporate Development.

Mr. Lloyd graduated with a Bachelor of Science in Business Administration from the University of Denver in 1987 and with a Juris Doctor degree from Osgoode Hall Law School at York University in 1990.

Mr. Lloyd currently serves as a member of the Board of Directors of Olsson, a multi discipline engineering and consulting firm based in Lincoln, Nebraska and as a member of the Board of Directors of the Derrick Club in Edmonton, Alberta. Mr. Lloyd is a past director and member of the Pigeon Lake Watershed Association, the EPCOR Community Essentials Council and the Kids with Cancer Society of Northern Alberta.

Robert Cole - Director

Robert Cole has over 25 years of experience within capital markets and wealth management. He is currently a Principal at Tytata Holdings Inc., a wealth management consulting firm. As a portfolio manager and family enterprise advisor, he consults on family and business wealth creation and eventual transition within a governance framework. His industry experience has ranged from product development, product distribution, practice management, industry regulatory compliance and high net worth client advisory. A graduate of the University of Alberta, Mr. Cole holds both a bachelor degree in Arts and Commerce and completed he completed his MBA with the Australian Institute of Business.

Mr. Cole has been a director of Auka since its inception.

Other Reporting Issuer Experience

The following table sets out the proposed directors of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name of Reporting Issuer/Jurisdiction of Reporting Issuer	Position	Market	From	To
Robert Cole	Auka Capital Corp., Federal - Alberta	Director and Chief Executive Officer	TSX Venture	September 2022	Present

Name	Name of Reporting Issuer/Jurisdiction of Reporting Issuer	Position	Market	From	To
Jay Baraniecki	Auka Capital Corp., Federal - Alberta	Director	TSX Venture	September 2022	Present
Jeff Lloyd	Auka Capital Corp., Federal - Alberta	Director	TSX Venture	September 2022	Present
Frank Sur	Auka Capital Corp., Federal - Alberta	Director and Corporate Secretary	TSX Venture	September 2022	Present
	INDVR Brands Inc. (formerly Cannabis One Holdings Inc.)	Director	CSE	October 2018	February 2021
	ApartmentLove Inc., Federal - Alberta	Director	CSE	March 2022	Present
	Artrari One Capital Corp., Federal - Alberta	Director	TSX Venture	March 2023	Present

Cease Trade Orders, Bankruptcies and Penalties

Other than has already been set out in this Circular, *See Particulars of Matters to be Acted Upon - Corporation Cease Trade Orders and Bankruptcy*, as the date of this Circular and within the ten years before the date of this Circular, no proposed director, officer or promoter is or has been a director, officer or promoter of any person or company that, while that person was acting in that capacity:

- a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or
- b) 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, state the fact.

To the knowledge of the Corporation, other than as set out below, no proposed director:

- a) 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;
- b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

In April, 2014, Anil Verma, who is a director and officer of DPF and who will be a director and officer of the Resulting Issuer, filed a Consumer Proposal under the Bankruptcy and Insolvency Act, which was deemed to be fully performed in February, 2018, with the appointed administrators discharged in January, 2019.

7. Appointment of Auditor in Connection with the Business Combination

At the Meeting, the Shareholders will be asked to approve, conditional and effective only upon the completion of the Business Combination, the appointment of EBT Chartered Professional Accountants, as independent auditor of the Resulting Issuer, to hold office until the first meeting of shareholders of the Resulting Issuer, or until a successor is appointed, at a remuneration to be fixed by the board of directors of the Resulting Issuer.

THE APPOINTMENT OF AUDITOR IN CONNECTION WITH THE BUSINESS COMBINATION WILL ONLY BE EFFECTIVE IN THE EVENT THAT THE BUSINESS COMBINATION IS SUCCESSFULLY COMPLETED.

Unless otherwise directed, the Common Shares represented by proxies in favour of the management designees will be voted FOR the appointment of EBT Chartered Professional Accountants, as auditor of the Resulting Issuer at a remuneration to be fixed by the board of directors of the Resulting Issuer.

The Board unanimously recommends that Shareholders vote FOR the appointment of EBT Chartered Professional Accountants in connection with the Business Combination at the Meeting.

8. Name Change in Connection with the Business Combination

At the Meeting, the Shareholders will be asked to consider and approve, conditional and effective only upon the completion of the Business Combination, a special resolution approving the amendment of the articles of the Corporation to change the name of the Corporation to "Dr. Phone Fix Corporation" (the "**Name Change**"), or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors.

The Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Name Change, authorizing the amendment of the articles of the Corporation to effect the Name Change. To pass, the special resolution requires the affirmative vote of not less than two-thirds (2/3) of the votes cast by the holders of Common Shares present at the Meeting in person or by proxy. If the Name Change is not approved, the Business Combination may not proceed.

THE NAME CHANGE WILL ONLY BE EFFECTIVE IN THE EVENT THAT THE BUSINESS COMBINATION IS SUCCESSFULLY COMPLETED.

Unless otherwise directed, the Common Shares represented by proxies in favour of the management designees will be voted FOR the Name Change.

The Board unanimously recommends that Shareholders vote FOR the Name Change at the Meeting.

ADDITIONAL INFORMATION

Financial information pertaining to the Corporation is provided in the Corporation's financial statements and management's discussion and analysis ("**MD&A**") for the financial year ended December 31, 2023. Copies of the Corporation's financial statements and related MD&A can be obtained from the Corporation at Suite 1600, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9 or can be found on the Corporation's SEDAR+ profile. **Additional Information relating to the Corporation is available on the SEDAR+ website at www.sedarplus.ca.**

DIRECTOR APPROVAL

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

December 16, 2024

(signed) "Robert Cole"

Robert Cole

Director, Chief Executive Officer, and President

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

AUKA CAPITAL CORP. AUDIT COMMITTEE CHARTER

ARTICLE 1 DEFINITIONS

Definitions in this Charter

"**audit services**" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"**Board**" means the board of directors of the Corporation;

"**Charter**" means this Audit Committee charter;

"**Committee**" means the committee established by and among the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

"**Corporation**" means Auka Capital Corp.;

"**independent**" has the meaning ascribed to it in Section 1.4 of National Instrument 52-110;

"**Instrument**" means Multilateral Instrument 52-110 – *Audit Committees*;

"**MD&A**" has the meaning ascribed to it in Section 1.1 of National Instrument 51-102;

"**Member**" means a member of the Committee;

"**National Instrument 51-102**" means National Instrument 51-102 - *Continuous Disclosure Obligations*; and

"**non-audit services**" means services other than audit services.

ARTICLE 2 GENERAL

2.1 Audit Committee

2.1.1 The Board has hereby established the Committee whose purpose is to assist the Board in compliance with the requirements of the Instrument and fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Corporation's financial statements;
- (b) the Corporation's compliance with legal and regulatory requirements, as they relate to the Corporation's financial statements;
- (c) the qualifications, independence and performance of the external auditor;

- (d) internal controls and disclosure controls;
- (e) the performance of the Corporation's internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2.2 Relationship with External Auditors

2.2.1 The Corporation will henceforth require its external auditor to report directly to the Committee.

2.3 Composition and Member Qualifications

2.3.1 The Committee will be composed of a minimum of three (3) Board members.

2.3.2 The majority of Committee members must be "independent" as that term is defined in applicable securities legislation.

2.3.3 Every Committee member must be "financially literate" as that term is defined in applicable securities legislation.

2.4 Member Appointment and Removal

2.4.1 The Board, at its organizational meeting held in conjunction with each annual general meeting of the holders of shares of the Corporation, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

2.5 Committee Structure and Operations

2.5.1 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from amongst their number. If the chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

2.5.2 The Secretary of the Corporation shall be the secretary of the Committee, unless otherwise determined by the Committee. Minutes of meetings of the Committee shall be recorded and maintained by the Secretary of the Committee. Copies of the minutes shall be provided to the Board.

2.5.3 The quorum for meetings shall be a majority of the Members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

2.5.4 Meetings of the Committee shall be conducted as follows:

- (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the Chairman, and the Corporation's external auditors or any member of the Committee may request a meeting of the Committee;
- (b) the Corporation's external auditors shall receive notice of and have the right and shall be encouraged to attend all meetings of the Committee; and
- (c) the Chief Executive Officer and the Chief Financial Officer of the Corporation shall be invited to attend all meetings of the Committee, except executive sessions and private sessions with the

external auditors, and other management representatives of the Corporation shall be invited to attend as necessary.

ARTICLE 3 DUTIES AND RESPONSIBILITIES

3.1 Committee Responsibilities

3.1.1 The Committee shall be responsible for making the following recommendations to the Board:

- (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (b) the compensation of the external auditor.

3.1.2 The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

3.1.3 The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

3.1.4 The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.

3.1.5 The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.

3.1.6 The Committee shall establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

3.1.7 The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

3.1.8 The Committee shall have the authority to delegate to individual members or subcommittees of the Committee.

3.2 *De Minimis* Non-Audit Services

3.2.1 The Committee shall satisfy the pre-approval requirement in subsection 3.1.3 of the Charter if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiary entities to the Corporation's external auditor during the fiscal year in which the services are provided;

- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its Members to whom authority to grant such approvals has been delegated by the Committee.

3.3 Delegation of Pre-Approval Function

- 3.3.1 The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 3.1.3.
- 3.3.2 The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 3.3 must be presented to the Committee at its first scheduled meeting following such pre-approval.

3.4 Pre-Approval Policies and Procedures

- 3.4.1 The Committee satisfies the pre-approval requirement in subsection 3.1.3 of the Charter if it adopts specific policies and procedures for the engagement of the non-audit services, if:
 - (a) the pre-approval policies and procedures are detailed as to the particular service;
 - (b) the Committee is informed of each non-audit service; and
 - (c) the procedures do not include delegation of the Committee's responsibilities to management.

ARTICLE 4 AUTHORITY

4.1 Authority

- 4.1.1 The Committee shall have the authority:
 - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee, and
 - (c) to communicate directly with the internal and external auditors.

ARTICLE 5 DISCLOSURE

5.1 Disclosure in Information Circular

- 5.1.1 If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 - Disclosure by Venture Issuers.

SCHEDULE "B"
FINANCIAL STATEMENTS
AUKA CAPITAL CORP.

AUKA CAPITAL CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS
an Association to practice Chartered Professional Accountancy

Medicine Hat Office

Gaslight Plaza
307, 579 3 St SE
Medicine Hat, AB T1A 0H2
Tel · 403·526·5011
Fax · 403·526·1011

Swift Current Office

140 2nd Ave. NW
Swift Current, SK S9H 0P2
Tel · 306·773·6262
Fax · 306·773·8065

Web · ebtca.com



AUKA CAPITAL CORP.

CONTENTS

DECEMBER 31, 2023

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Loss	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 14

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Auka Capital Corp.

Opinion

We have audited the financial statements of Auka Capital Corp., which comprise the Statement of Financial Position as at December 31, 2023 and 2022 and the Statement of Loss and Deficit and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and the financial performance and cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT, continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Medicine Hat, Alberta
April 25, 2024

Hayden Beck CPA
Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANT



CHARTERED PROFESSIONAL ACCOUNTANTS
an Association to practice Chartered Professional Accountancy

Medicine Hat Office

Gaslight Plaza
307, 579 3 St SE
Medicine Hat, AB T1A 0H2
Tel · 403·526·5011
Fax · 403·526·1011

Swift Current Office

140 2nd Ave. NW
Swift Current, SK S9H 0P2
Tel · 306·773·6262
Fax · 306·773·8065

Web · ebtca.com



AUKA CAPITAL CORP.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 711,186	\$ 797,737
Short-term deposit	5,000	-
	\$ 716,186	\$ 797,737
LIABILITY		
CURRENT LIABILITY		
Accounts payable and accrued liabilities	\$ 15,629	\$ 40,571
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 4)	1,000,000	1,000,000
DEFICIT	(299,443)	(242,834)
	700,557	757,166
	\$ 716,186	\$ 797,737

On behalf of the Board of Directors

(s) "Robert Cole" (President & CEO) Director

(s) "Michael Kaiser" (CEO) Director

AUKA CAPITAL CORP.

STATEMENT OF LOSS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUE	\$ -	\$ -
EXPENSES		
Professional fees	56,490	233,175
Interest and bank charges	119	-
	56,609	233,175
NET LOSS	\$ (56,609)	\$ (233,175)
BASIC LOSS PER SHARE	(0.0045)	(0.0341)
DILUTED LOSS PER SHARE	(0.0045)	(0.0328)
AVERAGE WEIGHTED NUMBER OF COMMON SHARES	12,500,000	6,847,260
AVERAGE WEIGHTED NUMBER OF DILUTED SHARES	12,500,000	7,104,547

The accompanying notes are an integral part of the financial statements

AUKA CAPITAL CORP.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Share capital	Deficit	Total equity
Balance, August 5, 2021	\$ 125,000	\$ (9,659)	\$ 115,341
Net loss	-	(233,175)	(233,175)
Issuance of share capital	875,000	-	875,000
Balance, December 31, 2022	1,000,000	(242,834)	757,166
Net loss	-	(56,609)	(56,609)
Balance, December 31, 2023	\$ 1,000,000	\$ (299,443)	\$ 700,557

The accompanying notes are an integral part of the financial statements

AUKA CAPITAL CORP.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
<hr/>		
OPERATING ACTIVITIES		
Net loss	\$ (56,609)	\$ (233,175)
Change in non-cash working capital		
Accounts payable and accrued liabilities	(24,942)	31,647
	<hr/>	<hr/>
	(81,551)	(201,528)
INVESTING ACTIVITY		
Purchase of short-term deposit	(5,000)	-
FINANCING ACTIVITY		
Issuance of share capital	-	875,000
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH	(86,551)	673,472
CASH, beginning of year	797,737	124,265
	<hr/>	<hr/>
CASH, end of year	\$ 711,186	\$ 797,737
	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements

AUKA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

NATURE OF BUSINESS

Auka Capital Corp. (the "Company") was incorporated on August 5, 2021 under the laws of the Province of Alberta, Canada as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4.

Head office is located at 1600, 421 7th Avenue SW, Calgary Alberta, T2P 4K9.

The principal business of the Company is the identification and evaluation of assets, or a business, and once identified or evaluated, to negotiate the acquisition or participation in the business (the "Qualifying Transaction"), subject to, if a non-arm's length Qualifying Transaction, receipt of majority approval of the minority shareholders and acceptance by regulatory authorities.

Until the completion of a Qualifying Transaction, the Company will not carry on any other business.

1. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC's).

The financial statements were approved by the Board of Directors and authorized for issue on April 25, 2024.

The financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for the Statement of Cash Flows.

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. GOING CONCERN

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As at December 31, 2023 the Company's management believes it has sufficient cash to satisfy its financial obligations for the next 12 months. The continuation of the Company is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

AUKA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash consists of balances with financial institutions. Cash in bank deposit accounts, at times, exceeds federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

SHARE-BASED PAYMENTS

The Company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based payments expense and the fair value of agent warrants. The Black-Scholes option pricing model involves key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

INCOME TAXES

Income tax comprises of both current and deferred tax. Income tax is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rate and laws that have been enacted or substantively enacted at the statement of financial statement date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax assets and liabilities are presented as non-current.

AUKA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES, *continued*

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND MEASUREMENT UNCERTAINTY

The preparation of the Company's financial statements, in conformity with IFRS, requires management of the Company to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. These estimates and judgments have been applied in a manner consistent with prior periods.

The following discusses the most significant accounting judgments and estimates that the company has made in the preparation of the financial statements:

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire. The Company's assessment is based upon existing tax laws and estimates of future taxable income. If the assessment of the Company's ability to utilize the underlying future tax deductions changes, the Company would be required to recognize more or fewer of the tax deductions as assets, which would decrease or increase the income tax expense in the period in which this is determined.

Share-based payments

The company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based payments expense and the fair value of stock options and warrants. The Black-Scholes option pricing model involves key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. the Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

AUKA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES, continued

FINANCIAL INSTRUMENTS

Financial instruments are measured at fair value on initial recognition, which is typically the transaction price unless a significant financing component is present. Subsequent measurement is dependent on whether the instrument is classified as "amortized cost", "fair value through profit or loss" or "fair value through other comprehensive income". The classification of financial assets is determined by their characteristics and their context in the Company's business model.

The Company classifies financial assets and liabilities as follows:

- Amortized cost: Cash and accounts payable and accrued liabilities are held by the Company to collect or pay contractual cash flows and are measured at amortized cost. Financial instruments measured at amortized cost are recognized initially at fair value, adjusted for any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest rate method, less any impairment losses.

- Fair value through profit or loss or fair value through other comprehensive income: The Company does not have financial instruments that meet the criteria to be measured at fair value and, accordingly, no financial instruments are measured at fair value through profit or loss or fair value through other comprehensive income.

AUKA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value.

The Company has the following Common Shares issued and outstanding:

	2023	2022
Issued		
12,500,000 Common Shares	\$ 1,000,000	\$ 1,000,000

During the period ended December 31, 2022, the Company issued 2,500,000 Common shares at \$0.05 per share and completed their initial public offering issuing an additional 7,500,000 Common shares at \$0.10 per share.

Upon completion of the initial public offering Canaccord Genuity Corp. (the Agent) received warrant options to purchase 750,000 Common Shares at a price of \$0.10 per share for period of five years from September 15, 2022, which is the date of the listing of the Common Shares on the Exchange.

Subsequent to the closing of the initial public offering December 13, 2022, the Company granted 758,875 incentive stock options to its directors and officers which are exercisable within ten years from the date of the grant at an exercise price of \$0.10 per Common Share. In addition, on January 11, 2023, a further 453,250 incentive stock options were issued to certain directors and officers which are exercisable within ten years from the date of the grant at an exercise price of \$0.10 per Common Share.

AUKA CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

4. SHARE CAPITAL, continued

	2023		2022	
	Options outstanding	Exercise price	Options outstanding	Exercise price
Warrant options	750,000	0.10	750,000	0.10
Incentive stock options	1,212,125	0.10	758,875	0.10
	1,962,125	-	1,508,875	-

Management uses the Black-Scholes option pricing model to estimate the value of all options issued. For the year-ended December 31, 2023 management believes the value of the options in aggregate is nil (2022 - nil), based on applying the following estimated inputs to the pricing model:

Risk-free Interest Rate - 2.50%
 Exercise Price - \$0.10
 Share Price - \$0.10
 Expected Dividend Yield - 0.00%
 Expected Life of Warrants - two categories;
 - 5 years for warrant options
 - 10 years for incentive stock options
 Expected Volatility - 0.00%

For the year-ended December 31, 2023, no options or warrants were exercised (2022 - nil). In accordance with IAS 33, options and warrants have a dilutive effect only when the average market price of ordinary shares during the period exceeds the exercise price of the options and warrants. At December 31, 2023, all outstanding options have an exercise price of \$0.10, equal to the average market price (2022 - \$0.10). Therefore, these options are considered antidilutive, and are excluded from the dilution calculations for 2023.

AUKA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. INCOME TAXES

- (a) The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 23% (2022 - 23%) to the loss for the years as follows:

	2023	2022
Loss for the year before income taxes	\$ (56,609)	\$ (233,175)
Anticipated income tax recovery of Tax effect of the following:	\$ (13,020)	\$ (53,630)
Benefit of income tax losses not recognized	13,020	53,630
Income tax benefit	\$ -	\$ -

- (b) For income tax purposes, the Company has non-capital losses carried forward from prior years which can be applied to reduce future years' taxable income. These losses expire as follows:

2041	\$ 9,649
2042	233,175
2043	56,609
	\$ 299,433

	2023	2022
Deferred income tax		
Losses available for offset against future taxable income	\$ 299,433	\$ 242,824
Valuation allowance against deferred tax assets	(299,433)	(242,824)
Net deferred income tax assets	\$ -	\$ -

Deferred income tax assets are recognized for loss carry-forwards and other deductible temporary differences to the extent that the realization of the related tax benefit through future taxable profits is probable. The Company does not yet have a history of profitability or other supporting evidence of future profitability to support the recognition of deferred tax assets in excess of deferred tax liabilities. Accordingly, the net deferred tax assets of the Company are offset by a valuation allowance, which is re-evaluated at the end of each reporting period.

AUKA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

6. RELATED PARTY TRANSACTIONS

The Company is related to Gowling WLG (Canada) LLP by virtue of a partner in Gowling WLG (Canada) LLP who is a director and corporate secretary of the Company. Transactions and balances with these related parties are as follows:

Professional fees in the amount of \$18,791 (2022 - \$85,971) paid to the related party for matters pertaining to the review of prospectus drafts, initial public offering filings, share issuance, and completion during the year.

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

The Company's financial instruments include cash, and accounts payable and accrued liabilities. The carrying value of these instruments approximates their fair value due to their short-term maturities.

The Company's activities are exposed to a variety of financial risks, including price risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk is managed through overall corporate governance and a high level of scrutiny of financial transactions, combined with a management team familiar with capital markets and corporate finance.

The Company is exposed to the following risks in respect of certain of the financial instruments held:

(a) LIQUIDITY RISK

The Company has limited liquidity risk to the extent of its accounts payable and accrued liabilities of \$15,629 (2022 - \$40,571). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, and maintains an adequate cash balance to repay trade creditors as they become payable. In the opinion of management, the liquidity risk exposure to the Company is minimal.

AUKA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. CAPITAL MANAGEMENT

The Company is a Capital Pool Company and considers items included in shareholders' equity as capital. The Company has no debt. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets.

In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids, or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company had share capital of \$1,000,000 as of December 31, 2023 (2022 - \$1,000,000).

The Company currently has no source of revenues. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets of businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a qualifying transaction by the Company as defined under the policies of the Exchange Policy 2.4.