

# **JAZZ RESOURCES INC.**

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

AND

INFORMATION CIRCULAR

**To be held on Wednesday, December 15, 2021**

Dated: November 2, 2021

# JAZZ RESOURCES INC.

Suite 404 – 1688 – 152<sup>nd</sup> Street  
Surrey, British Columbia, Canada V4A 4N2

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## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON **DECEMBER 15, 2021**

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**NOTICE IS HEREBY GIVEN** that the **Annual General and Special** meeting (the “**Meeting**”) of **JAZZ RESOURCES INC.** (the “**Company**”) will be held at Suite 1500 – 885 West Georgia Street, Vancouver, British Columbia, on **Wednesday, December 15, 2021, at 12:00 PM** (Pacific Time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial years ended June 30, 2021 and June 30, 2020, together with the auditor’s reports thereon;
2. to fix number of directors at three (3) and elect directors for the ensuing year;
3. to confirm, ratify and approve the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company for the financial years ended June 30, 2021 and June 30, 2020;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the Company’s auditor for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditor;
5. to consider and, if thought fit, pass an ordinary resolution of disinterested shareholders to ratify, confirm and approve the Company’s 10% rolling Stock Option Plan, replacing the current fixed option plan, as more particularly described in the attached management information circular in “Section 3 - The Business of the Meeting”;
6. to consider and, if thought fit, pass an ordinary resolution of disinterested shareholders to ratify, confirm and approve the grant of options pursuant to the new rolling stock option plan; and
7. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The accompanying management information circular (the “**Information Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice are (i) Form of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only shareholders of record at the close of business on **November 2, 2021**, will be entitled to receive notice of and vote at the Meeting. Shareholders are entitled to vote at the Meeting either in person or by proxy. Each common share (the “**Common Shares**”) is entitled to one vote.

**Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.**

**Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.**

### **NOTE OF CAUTION concerning COVID-19 Outbreak**

At the date of this Notice and accompanying Management Proxy Circular it is the intention of the Company to hold the Meeting at the location stated above in this Notice. However, due to the current coronavirus (COVID-19) outbreak (“**COVID-19**”), to mitigate risk to the health and safety of our communities, shareholders and employees, the Company requests that shareholders **not** attend the Meeting in person. No management presentation will be made at the Meeting.

Those shareholders who wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada available at: <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>. We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Information Circular accompanying this Notice.

The Company encourages shareholders to instead vote their shares in advance of the Meeting via mail, facsimile or online.

The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company's profile on SEDAR. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended Meeting Proxy Materials.

**DATED** at Vancouver, British Columbia, this **2nd** day of **November, 2021**.

BY ORDER OF THE BOARD OF DIRECTORS:

Signed: "Rob Klenk"

ROBERT KLENK

Chief Executive Officer and Director

## MANAGEMENT INFORMATION CIRCULAR

The information contained in this Management Information Circular, unless otherwise indicated, is as of November 2, 2021.

**This Management Information Circular is being mailed by the management of JAZZ RESOURCES INC. (the “Company” or “JAZZ”) to shareholders of record at the close of business on November 2, 2021, which is the date that has been fixed by the directors of the Company as the record date (the “Record Date”) to determine the shareholders who are entitled to receive notice of the meeting.** The Company is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of the Company for use at its annual general and special meeting (the “Meeting”) of the shareholders that is to be held on **Wednesday, December 15, 2021, at 12:00PM (PST)** at Suite 1500 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

The Company is not relying on the “Notice and Access” delivery procedures outlined in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* to distribute copies of proxy-related materials in connection with the Meeting by posting them on a website.

### QUORUM

Under Jazz Articles, the quorum for the transaction of business at a Meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

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## SECTION 1 - VOTING

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### WHO CAN VOTE?

If you are a registered shareholder of the Company as at **November 2, 2021**, you are entitled to notice of and to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer’s authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see “**Voting By Proxy**” below). If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer, financial institution or other intermediary) you should refer to the section entitled “**Non-Registered Shareholders**” set out below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

### VOTING BY PROXY

**If you do not come to the Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.**

**In order to be valid, you must return the completed form of proxy to the Company’s transfer agent, Odyssey Trust Company (“Odyssey”) by facsimile to 800-517-4553 or by mail to #350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time fixed for the Meeting or any adjournments thereof.**

#### *What Is A Proxy?*

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

### *Appointing A Proxyholder*

**You can choose any individual to be your proxyholder.** It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder (the "**Management Proxyholders**"). Those persons are directors, officers or other authorized representatives of the Company.

### *Instructing Your Proxy*

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

**If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares IN FAVOUR of each of the items of business being considered at the Meeting.** For more information about these matters, see "*Section 3 - The Business of the Meeting*".

**The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting.** At the time of printing this Information Circular, the management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

### *Changing Your Mind*

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company at Suite 404 – 1688 – 152<sup>nd</sup> Street, Surrey, British Columbia, Canada V4A 4N2 or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 12:00PM (PST) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person. **Only registered shareholders may revoke a proxy. If your shares are not registered in your own name and you wish to change your vote, you must arrange for your nominee to revoke your proxy on your behalf (see below under "Non-Registered Shareholders").**

#### **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Odyssey Trust Company by facsimile at 800-517-4553 or by mail to 350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2.

In all cases, the Proxy must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

#### **NON-REGISTERED SHAREHOLDERS**

Only registered holders of common shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, common shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

- (a) in the name of an Intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; OR
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”.

Pursuant to NI 54-101 of the Canadian Securities Administrators, the Company has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly or directly to the NOBOs and to the Intermediaries for onward distribution to Non-Registered Holders. Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO’s Intermediary assumes the costs of delivery.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary’s directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Computershare as described under “**Voting By Proxy**” above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

**Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or Proxy form is to be delivered.**

#### **NOTICE TO SHAREHOLDERS IN THE UNITED STATES**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act* of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended (the “**Act**”), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United

States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

## SECTION 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

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The Company is authorized to issue an unlimited number of common shares without par value. As at the close of business on the Record Date being **November 2, 2021, 21,161,236** common shares were issued and outstanding. Each shareholder entitled to receive notice of and to vote at the Meeting is entitled to one vote for each common share registered in his or her name at the close of business on **November 2, 2021**.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the Company's transfer agent and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

## SECTION 3 - THE BUSINESS OF THE MEETING

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A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### 1. FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial years ended June 30, 2021 and June 30, 2020, will be placed before you at the Meeting. They have been mailed to the shareholders who have requested they receive a copy of same together with the Notice of Meeting and this Information Circular. These audited financial statements are available at [www.sedar.com](http://www.sedar.com).

**No approval or other action needs to be taken at the Meeting in respect of these documents.**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, both of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Financial Statement Request Form attached to this Information Circular and send it to the Company.

### 2. ELECTION OF DIRECTORS

#### *Number of Directors*

Under the Company's Articles and pursuant to the *Business Corporations Act* (British Columbia), the number of directors may be set by ordinary resolution but shall not be fewer than three. The Company currently has **three (3)** directors. All three (3) directors are being put forward by management of the Company for election at the Meeting.

**The Company's management recommends that the shareholders vote in favour of the resolution setting the number of directors at three (3). Unless you give other instructions, the Management Proxyholders intend to vote FOR the resolution setting the number of directors at three (3).**

### *Nominees for Election*

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he or she resigns or otherwise vacates office before that time.

The following table sets out the names of management's nominees for election as directors of the Company; all offices in the Company each nominee now holds; each nominee's principal occupation, business or employment; the period of time during which each nominee has been a director of the Company; and the number of common shares, stock options and common share purchase warrants that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee as at Record Date.

Each of the nominees has agreed to stand for election and management of the Company is not aware of any intention of any of them not to do so. 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.

<b>Name, position and place of residence<sup>(1)</sup></b>	<b>Principal occupation for the past five years<sup>(1)</sup></b>	<b>Director since</b>	<b>Number of shares<sup>(2)</sup></b>
ROBERT KLENK <sup>(3)</sup> CEO and Director <i>British Columbia, Canada</i>	Former investment advisor; CEO of Jazz Resources	February 15, 2016	1,952,000
KIRK FISHER <sup>(3)</sup> Director <i>British Columbia, Canada</i>	Senior vice-president of Lark Group	March 24, 2017	460,000
RON TEWITZ <sup>(3)</sup> Director <i>British Columbia, Canada</i>	President of Anvil Machine	December 10, 2020	175,000

**Notes:**

<sup>(1)</sup> Information as to the residency and principal occupation has been provided by the respective directors.

<sup>(2)</sup> Information as to shares beneficially owned, not being within our knowledge has been furnished by the respective person, has been extracted from the list of registered shareholders maintained by the Company's transfer agent, has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders ([www.sedi.ca](http://www.sedi.ca)) or has been obtained from early warning report and alternative monthly reports filed by the respective person and available through the Internet at the Canadian System for Electronic Document Analysis and Retrieval ([www.sedar.com](http://www.sedar.com)).

<sup>(3)</sup> Member of the Audit Committee.

### **Biographies**

#### **Rob Klenk – President, CEO, Chairman and Director**

Rob Klenk is currently CEO and Chairman of the Board of Directors of Jazz Resources Inc. After attending the University of Illinois-Chicago on a hockey scholarship, Mr. Klenk worked on the floor of the Chicago Board Options Exchange before he returned to British Columbia. After working in contract administration and inspection of large natural pipelines throughout British Columbia, he obtained a Masters of Business Administration specializing in Finance from the University of British Columbia. After a decade as an investment advisor for Merrill Lynch, CIBC Wood Gundy and branch manager for Canaccord, he stepped in to his current role at Jazz Resources Inc. in 2017.

#### **Kirk Fisher – Director**

Kirk Fisher is the co-founder and chief executive officer for HealthTech Connex Inc. As one of the founding developers of the Health & Technology District, Mr. Fisher is Senior Vice President of The Lark Group. The Lark Group specializes in healthcare innovation through the development of advanced care infrastructure, such as

hospitals, clinics, and care homes. With a background in engineering (P.Eng., UBC) and business (MBA, SFU), Mr. Fisher has extensive experience in corporate management, project planning, business operations, investment and strategic business growth. Mr. Fisher is also versed in medical technologies, independent living technologies, and digital health technologies and works closely with many of the clinical, university, and business sector partners of HealthTech Connex. Kirk is currently co-leading the development of the Health and Technology District adjacent to Surrey Memorial Hospital, in which HealthTech Connex is a key founding business.

#### **Ron Tewitz – Director**

Ron Tewitz is currently the President of Anvil Machine, an oilfield manufacturing company in Edmonton, Alberta, founded in 1969. Mr. Tewitz comes from a welding and machining background and through hands-on experience in various roles at Anvil, has worked into being President and owner of the company. Since 2006, Mr. Tewitz has safely and skillfully led Anvil Machine through the many challenges of the oil and gas industry in Alberta.

#### **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

As at the date of this Information Circular, to the knowledge of the Company, no proposed nominee for election as a director of the Company (nor any of his or her personal holding companies) has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

No proposed nominee for election as a director of the Company is, or has been, within 10 years before the date of this Information Circular:

1. a director, chief executive officer or chief financial officer of any company (including the Company and any personal holding company of the proposed director) that, while that person was acting in that capacity:
  - (a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “Order”); or
  - (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
2. a director or executive officer of any company (including the Company) and any personal holding company of the proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed nominee for election as a director of the Company has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

**The Company's management recommends that the shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the nominees named in this Information Circular.**

### **3. RATIFICATION OF AUDITOR**

At the Meeting, Shareholders will be asked to vote for: (i) the ratification of the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditors of the Company for the fiscal year ended June 30, 2021, and to authorize the Board to fix the remuneration to be paid to Davidson & Company, LLP, Chartered Professional Accountants. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends that shareholders vote FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants as the Company's auditor for the fiscal year ended June 30, 2021, and the authorization of the Board to fix the remuneration paid to the auditors for fiscal year ended June 30, 2021.**

### **4. APPOINTMENT OF THE AUDITOR**

At the Meeting, Davidson & Company LLP, Chartered Professional Accountants, located at Suite 1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6, will be recommended by management and the Board of Directors for re-appointment as auditor of the Company at a remuneration to be fixed by the directors. See *Section 5 – Audit Committee – External Service Fees*.

**The Company's management recommends that the shareholders vote in favour of the re-appointment of Davidson & Company LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the re-appointment of Davidson & Company LLP, Chartered Professional Accountants, to act as the Company's auditor until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the auditor.**

### **5. ROLLING STOCK OPTION PLAN APPROVAL**

#### ***New Share Option Plan***

On February 11, 2021, the Board approved the adoption of a new 10% rolling option plan (the "**Rolling Plan**"), which replaces the previous 20% fixed stock option plan (the "**Fixed Plan**"), subject to shareholder and final regulatory approval.

Pursuant to the Fixed Plan, the Company may not have more than an 2,856,220 Options issued and outstanding at any one time. As was the case with the previous Fixed Plan, the Rolling Plan will increase the flexibility of the Company to provide incentives to directors, officers, employees, management and others who provide services to the Company. The Company is seeking to have the Rolling Plan attached hereto as Schedule "B" to this Information Circular approved by disinterested shareholders. The Rolling Plan will allow the Company to reserve additional Shares for issuance pursuant to the exercise of options than are permitted under the Fixed Plan, in order to enhance the Company's ability to compensate directors, officers, employees and consultants by means other than cash incentives. The Rolling Plan requires shareholder approval by ordinary resolution at every annual meeting of the Company while the Rolling Plan is in effect.

A maximum of 10% of the issued and outstanding Shares of the Company at the time an option is granted are reserved for options to be granted at the discretion of the Board to eligible optionees (an "**Optionee**"). At the date hereof there are 1,500,000 options to purchase Shares outstanding under the Fixed Plan.

All grants require approval of the Board as the Rolling Plan would be administered by the Board and provide that options be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

The following is a summary of the material terms of the Rolling Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;
- (c) For options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and
- (i) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

The Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding Common Shares, unless the Company has obtained approval to do so by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by Insiders and their Associates ("**Disinterested Shareholder Approval**");
- (b) The aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any 12-month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (c) The Company must not grant an option to a Consultant in any 12-month period that exceeds 2% of the outstanding Common Shares calculated at the date of grant of the option;
- (d) The number of Optioned Shares issued to Insiders in any 12-month period must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;

(e) The issuance to any one Optionee within a 12-month period of a number of Common Shares must not exceed 5% of outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so; and

(f) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

Disinterested shareholders will be asked to consider and vote on an ordinary resolution to ratify and confirm the Plan, with or without variation, as follows:

**“BE IT RESOLVED THAT** the Company’s Rolling 10% Share Option Plan dated for reference February 12, 2021, be and is hereby authorized, ratified, confirmed and approved subject to approval by the TSX Venture Exchange.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy. The Board is of the view that the Rolling Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry.

#### ***DISINTERESTED SHAREHOLDER APPROVAL OF OPTION PLAN RESOLUTION***

The resolution for shareholder approval of the Rolling Plan must also be approved by a majority of votes of disinterested shareholders cast on the resolution. In order to achieve disinterested shareholder voting, the votes attaching to the Shares beneficially owned by Insiders: Rob Klenk, CEO and director, Kirk Fisher, director, Ron Towitz, director and Darren Battersby, Chief Financial Officer, each an Insider of the Company, and any associates or affiliates of these Insiders will not be counted on the resolution and will be excluded from the disinterested vote tally.

The Board has concluded that adoption of the Rolling Plan is in the best interests of the Company and its Shareholders. Accordingly, the Board unanimously recommends that Shareholders ratify, confirm and approve the Rolling Plan by voting FOR the Rolling Plan Resolution at the Meeting.

**Management and the Board of Directors of the Company recommend that shareholders vote FOR the resolution approving the Rolling Plan. Unless you provide instructions to the contrary, the Management Proxyholders intend to vote FOR the resolution to increase the number of shares reserved for issuance under the Company’s Stock Option Plan.**

#### **6. APPROVAL OF PREVIOUSLY GRANTED OPTIONS**

On February 12, 2021, the Company granted 1,000,000 options with an exercise price of \$0.35 per Share expiring February 21, 2026, to certain directors, officers and consultants. As well, on July 17, 2021, the Company granted 500,000 options with an exercise price of \$0.45 per Share with an expiry date of five (5) years to certain directors and officers of the Company. All of these options were granted pursuant to the proposed Rolling Plan.

Since the Options were granted prior to the requisite shareholder approval for the Rolling Plan having been obtained, the policies of the TSXV require that the Company obtain disinterested shareholder approval for the grant of Options. In addition, such Options may not be exercised until disinterested shareholder approval for the grant of Options is obtained.

The Company is requesting the disinterested shareholders of the Company, to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution confirming and approving the grant of 1,500,000 Options pursuant to the Rolling Plan.

Accordingly, at the Meeting, the shareholders will be asked to pass the following:

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT** the previously granted 1,500,000 Options, as described in the Company’s Information Circular dated November 2, 2021, be, and the same hereby is ratified, confirmed and approved.”

Management and the Board of Directors of the Company recommend that shareholders, including disinterested shareholders of the Company, vote FOR the resolution approving and ratifying the issuance of the Options. Unless you provide instructions to the contrary, the Management Proxyholders intend to vote FOR the resolution to approve and ratify the issuance of the Options.

## 7. OTHER BUSINESS

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the common shares represented by the proxies solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

## SECTION 4 – EXECUTIVE COMPENSATION

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### GENERAL

For the purpose of this Statement of Executive Compensation:

**“Company”** means Jazz Resources Inc.;

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

**“external management company”** includes a subsidiary, affiliate or associate of the external management company;

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

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (**“CEO”**), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (**“CFO”**), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended June 30, 2021 whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

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

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

Based on the foregoing definitions, during the most recently completed financial year ended June 30, 2021, the Company had two (2) NEOs, namely Robert Klenk, CEO and Darren Battersby, CFO. Mr. Battersby was appointed as CFO effective June 19, 2019.

**Director and NEO compensation, excluding options and compensation securities**

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Table of compensation excluding compensation securities							
Name and position	Year Ended June 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Robert Klenk</b> <sup>(4)</sup> <i>CEO, President, Director</i>	2021	120,000	Nil	Nil	Nil	103,629 <sup>(1)</sup>	223,629
	2020	72,000	Nil	Nil	Nil	Nil <sup>(2)</sup>	72,000
	2019	72,000	Nil	Nil	Nil	72,000 <sup>(3)</sup>	72,000
<b>Darren Battersby</b> <sup>(5)</sup> <i>CFO</i>	2021	83,500	Nil	Nil	Nil	62,177 <sup>(1)</sup>	145,677
	2020	20,000	Nil	Nil	Nil	Nil <sup>(2)</sup>	20,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Kirk Fisher</b> <sup>(6)</sup> <i>Director, former CFO</i>	2021	Nil	Nil	Nil	Nil	15,544 <sup>(1)</sup>	15,544
	2020	Nil	Nil	Nil	Nil	Nil <sup>(2)</sup>	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Ron Tewitz</b> <sup>(7)</sup> <i>Director</i>	2021	Nil	Nil	Nil	Nil	15,544 <sup>(1)</sup>	15,544
	2020	Nil	Nil	Nil	Nil	Nil <sup>(2)</sup>	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A

**NOTES:**

- (1) This amount represents the fair value of incentive stock options granted during the year ended June 30, 2021 and was estimated at the grant date using the Black-Scholes option pricing model in accordance with the Company's accounting policies with the following assumptions: Expected life 5 years; Expected annual volatility 112%; Expected dividend yield 0%; Risk-free interest rate .22%. These values do not represent actual amounts received by the optionees as the gain, if any, will depend on the market value of the shares on the date that the stock option is exercised.
- (2) The Company employed the Black-Scholes option pricing method to calculate the grant date fair value as it is a widely used and relatively objective methodology. The closing market price of the common shares on the TSX Venture Exchange (the "TSXV") as of June 30, 2020, the last trading day of the Company's common shares for the financial year, was \$0.22 per share. For key assumptions and estimates used for this calculation, please see the Annual Audited Financial Statements for the year ended June 30, 2020.
- (3) The Company employed the Black-Scholes option pricing method to calculate the grant date fair value as it is a widely used and relatively objective methodology. The closing market price of the common shares on the TSX Venture Exchange (the "TSXV") as of June 30, 2019, the last trading day of the Company's common shares for the financial year, was \$0.36 per share. For key assumptions and estimates used for this calculation, please see the Annual Audited Financial Statements for the year ended June 30, 2019.
- (4) Mr. Klenk was appointed to the board of directors on February 15, 2016 and appointed as CEO on April 5, 2017.
- (5) Mr. Fisher was appointed director on March 24, 2017, and acted as interim Chief Financial Officer from October 20, 2018 until June 12, 2019.
- (6) Mr. Battersby was appointed Chief Financial Officer on June 12, 2019.
- (7) Mr. Tewitz served on the board of directors from May 3, 2019 until December 16, 2019, and was re-appointed to the board on December 10, 2020.

### Stock Options and Other Compensation Securities

The Company granted the following compensation securities to the directors and NEOs during the financial year ended June 30, 2021.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Robert Klenk</b> <sup>(1)</sup> <i>CEO, Director</i>	Stock options	500,000 options	February 12, 2021	0.35	0.27	0.46	February 12, 2026
<b>Darren Battersby</b> <i>CFO</i>	Stock options	300,000 options	February 12, 2021	0.35	0.27	0.46	February 12, 2026
<b>Kirk Fisher</b> <i>Director</i>	Stock options	75,000 options	February 12, 2021	0.35	0.27	0.46	February 12, 2026
<b>Ron Tewitz</b> <i>Director</i>	Stock options	75,000 options	February 12, 2021	0.35	0.27	0.46	February 12, 2026

### Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the financial year ended June 30, 2021.

### Other Provisions

The Stock Option Plan contains provisions governing the acceleration of the vesting of options in the event of a change of control of the Company or in the event of a take-over proposal.

### Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of the financial year ended June 30, 2021:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Securityholders	NIL	N/A	1,356,220
Equity compensation plans not approved by securityholders	1,000,000	\$0.35	-
<b>Total</b>	<b>1,000,000</b>		<b>1,356,220</b>

### ***Employment, consulting and management agreements***

Management functions of the Company and its subsidiaries are substantially performed by the Company's directors and executive officers. The Company has not entered into any contracts, agreements or arrangements with parties other than its directors and executive officers for the provision of such management functions.

### ***Termination and Change of Control Benefits***

The Company does not have any plan or arrangement to pay or otherwise compensate any Named Executive Officer if his employment is terminated as a result of resignation, retirement, change of control, etc. or if his / her responsibilities change following a change of control.

### **Oversight and description of director and named executive officer compensation**

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

During the Company's most recently completed financial year, there were no standard compensation arrangements, or other arrangements in addition to or in lieu of standard arrangements, under which the directors of the Company were compensated for services in their capacity as directors (including any additional amounts payable for committee participation or special assignments), or for services as consultants or experts.

#### ***Pension disclosure***

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans currently in place or proposed at this time.

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## **SECTION 5 - AUDIT COMMITTEE**

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National Instrument 52-110 *Audit Committees ("NI 52-110")* requires the Company, as a venture issuer to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

#### **AUDIT COMMITTEE CHARTER**

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

#### **COMPOSITION OF AUDIT COMMITTEE**

The current members of the Audit Committee are Robert Klenk (Chair), Kirk Fisher and Ron Tewitz.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

There are two independent members (Kirk Fisher and Ron Tewitz) and one non-independent member (Robert Klenk) of the Audit Committee. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the opinion of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Mr. Klenk is considered not independent because of his position as CEO and President.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

All members of the audit committee are considered to be financially literate. All of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of

accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

#### **RELEVANT EDUCATION AND EXPERIENCE**

All of the Audit Committee members are senior-level businesspeople with experience in financial matters; each has an understanding of accounting principles used by the Company to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Each member also has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company's financial disclosures and internal control systems.

In addition, each of the members of the Audit Committee have knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors or officers of public companies other than the Company. See Section 6 - Corporate Governance – Directorships in Other Public Companies.

*Robert Klenk (Chair)*

Mr. Klenk has extensive experience in the investment and finance fields. He holds an MBA in finance.

*Kirk Fisher*

Mr. Fisher is the senior vice president of Lark Group.

*Ron Tewitz*

Mr. Tewitz is the President of Anvil Machine, an oilfield manufacturing company in Edmonton, AB.

#### **AUDIT COMMITTEE OVERSIGHT**

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

#### **RELIANCE ON CERTAIN EXEMPTIONS**

At no time since the commencement of the Company's most recently completed financial year ended June 30, 2021, has the Company relied on the exemption in Section 2.4 of NI 52-110 - *Audit Committees (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.

As the Company is considered a "Venture Issuer" pursuant to relevant securities legislation, the Company is relying on the exemption in Section 6.1 of NI 52-110, from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

#### **PRE-APPROVAL POLICIES AND PROCEDURES FOR NON-AUDIT SERVICES**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company's Audit Committee Charter attached as Schedule "A" to this Information Circular.

#### **EXTERNAL AUDITOR SERVICE FEES**

In the following table, "Audit Fees" are fees billed by the Company's external auditors for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related Fees" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax Fees" are billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Company to its auditors in each of the last three (3) financial years, by category, are as follows:

<i>Auditor</i>	<i>Financial Year Ending June 30</i>	<i>Audit Fees<sup>(1)</sup></i>	<i>Audit-related Fees<sup>(2)</sup></i>	<i>Tax Fees<sup>(3)</sup></i>	<i>All Other Fees<sup>(4)</sup></i>
Davidson & Company LLP <sup>(5)</sup>	2021	35,000	Nil	Nil	Nil
	2020	26,750	Nil	Nil	Nil
	2019	18,000	Nil	2,500	Nil

**NOTES:**

- <sup>(1)</sup> The aggregate audit fees billed.
- <sup>(2)</sup> The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements that are not included under the heading "Audit Fees".
- <sup>(3)</sup> The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- <sup>(4)</sup> The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".
- <sup>(5)</sup> Davidson & Company LLP, Chartered Professional Accountants, has been the Company's auditor since August 8, 2005.

## SECTION 6 - CORPORATE GOVERNANCE

### GENERAL

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") provides guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 and requires full and complete annual disclosure of a listed company's systems of corporate governance with reference to National Policy 58-201 - *Corporate Governance Guidelines* (the "**Guidelines**"). Where a company's corporate governance system differs from the Guidelines, each difference and the reason for the difference is required to be disclosed. The Company's approach to corporate governance is provided below.

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its Shareholders and contribute to effective and efficient decision making. National Policy 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines that apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

### COMPOSITION OF THE BOARD OF DIRECTORS

All of the proposed nominees for election as a director at the 2021 Annual General Meeting are current directors of the Company. Form 58-101F1 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship that could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the proposed nominees, Rob Klenk, who also serves the Company as Chief Executive Officer and President is "inside" or a management director and, as such, are considered not to be "independent". Kirk Fisher and Ron Tewitz are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

The Board regularly reviews executive compensation and the grant of stock options.

#### **MANDATE OF THE BOARD**

The Board is elected by and accountable to the shareholders of the Company. The mandate of the Board is to continually govern the Company and to protect and enhance the assets of the Company in the long-term best interests of the Shareholders. The Board will annually assess and approve a strategic plan which takes into account, among other things, the opportunities and the identification of the principal risks of the issuer's business, and ensuring the implementation of appropriate systems to manage these risks.

#### **DIRECTORSHIPS IN OTHER PUBLIC COMPANIES**

None of the board nominees are directors of other reporting issuers (or equivalent)

#### **ORIENTATION AND CONTINUING EDUCATION**

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations. However, if the growth of the Company's operations warrants it, it is likely that a formal orientation process will be implemented.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Company's Board.

#### **ETHICAL BUSINESS CONDUCT**

The Board has determined that the fiduciary duties placed on individual directors by the Company's governing corporate legislation, common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Furthermore, the Board promotes fair dealing with all its stakeholders and requires compliance with the laws of each jurisdiction in which the Company operates.

The Board of Directors is also required to comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia) and relevant securities regulation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest.

#### **NOMINATION OF DIRECTORS**

The Board as a whole determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and the CEO. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed and discussed amongst the members of the Board prior to the proposed director's nomination.

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

## **COMPENSATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER**

The Company does not currently pay its directors any remuneration for acting as directors and the only compensation for acting as directors received by non-management directors is through the grant of incentive stock options. The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. Stock options to be granted to “management” directors are required, as a matter of board practice, to be reviewed and approved by the “non-management” directors. Given the current size and limited scope of operations of the Company, the Board does not believe that a formal compensation committee is required. At such time as, in the opinion of the Board, the size and activities of the Company and the number of management employees warrants it, the Board will consider it necessary to appoint a formal compensation committee. See Section 4 – Statement of Executive Compensation – Director and NEO Compensation.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

The Company has no other committee other than an Audit Committee.

## **ASSESSMENTS**

The board has not, as yet, established procedures to formally review the contributions of individual directors. At this point, the directors believe that the board’s current size facilitates informal discussion and evaluation of members’ contributions within that framework.

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## **SECTION 7 - OTHER INFORMATION**

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

Since the beginning of the most recently completed financial year ended June 30, 2021, and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company for other than “routine indebtedness”, as that term is defined by applicable securities legislation; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

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

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, ended June 30, 2021, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

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

Applicable securities legislation defines “*informed person*” to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities. Except as otherwise disclosed herein, no informed persons had (or has)

any interest in any transaction with the Company since the commencement of our most recently completed financial year ended June 30, 2021, or in any proposed transaction, that has materially affected the Company or is likely to do so.

#### **MANAGEMENT CONTRACTS**

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of the Company.

#### **ADDITIONAL INFORMATION**

Financial information about the Company is included in the Company's financial statements and Management's Discussion and Analysis for the financial year ended June 30, 2021, which have been electronically filed with regulators and are available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com). Copies may be obtained without charge upon request to the Company at Suite 404 – 1688 – 152<sup>nd</sup> Street, Surrey, BC V4A 4N2. You may also access the Company's public disclosure documents through the Internet on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **DIRECTOR APPROVAL**

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

**Dated** at Vancouver, British Columbia, this 2<sup>nd</sup> day of November, 2021.

#### **BY ORDER OF THE BOARD**

Signed: "*Robert Klenk*"

Robert Klenk  
President, Chief Executive Officer and Director

## SCHEDULE "A"

### JAZZ RESOURCES INC.

(the "Company")

### AUDIT COMMITTEE CHARTER

(Dated for Reference December 20, 2005)

#### MANDATE

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

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

#### COMPOSITION

The Committee shall be comprised of at least three members. Each member must be a director of the Company. A majority of the members of the Committee shall not be officers or employees of the company or of an affiliate of the Company. At least one member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the term "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate.

#### MEETINGS

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give Committee members 24 hours' advance notice of each

meeting and the matters to be discussed at it. Notice may be given personally, by telephone, facsimile or e-mail.

The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A member may participate in a meeting of the Committee by a communications medium other than telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of the Management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and the Management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

## **RESPONSIBILITIES AND DUTIES**

To fulfil its responsibilities and duties, the Committee shall:

### ***Documents/Reports Review***

- (a) Review the Company's financial statements, including any certification, report, opinion, or review rendered by the Auditor, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information.
- (b) Review and satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.

### ***External Auditors***

- (c) Be directly responsible for overseeing the work by the external auditor (including resolution of disagreements between the Management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit or review services for the Company.

- (d) Require the Auditor to report directly to the Committee.
- (e) Review, annually, the performance of the Auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (f) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor.
- (g) Take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the Auditor.
- (h) Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment as the Auditor for the ensuing year and the compensation for the Auditor, or, if applicable, the replacement of the Auditor.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.
- (j) Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between the Management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- (k) Review with the Management and the Auditor the audit plan for the annual financial statements.
- (l) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services provided by the Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Company and its subsidiary entities to the Auditor during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set out in this section provided the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

### ***Financial Reporting Processes***

- (m) In consultation with the Auditor, review with the Management the integrity of the Company's financial reporting process, both internal and external.

- (n) Consider the Auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (o) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the Auditor and the Management.
- (p) Review significant judgments made by the Management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments.
- (q) Following completion of the annual audit, review separately with the Management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (r) Review any significant disagreement among the Management and the Auditor in connection with the preparation of the financial statements.
- (s) Review with the Auditor and the Management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (t) Discuss with the Auditor the Auditor's perception of the Company's financial and accounting personnel, any material recommendations which the Auditor may have, the level of cooperation which the Auditor received during the course of their review and the adequacy of their access to records, data and other requested information.
- (u) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (v) Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

***Other***

- (w) Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
- (x) Report regularly and on a timely basis to the Board of Directors on matters coming before the Committee.
- (y) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

**AUTHORITY**

The Committee is authorized to:

- (a) to seek any information it requires from any employee of the Company in order to perform its duties;

- (b) to engage, at the Company's expense, independent legal counsel or other professional advisors on any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay the compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the internal and external auditors of the Company.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.

**SCHEDULE "B"**  
**ROLLING OPTION PLAN**

**JAZZ RESOURCES INC.**  
(the “COMPANY”)

**SHARE OPTION PLAN**

**Dated for Reference February 12, 2021**

**1 PURPOSE AND INTERPRETATION**

**(a) Purpose**

The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

**(b) Definitions**

In this Plan:

“**Affiliate**” means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;

“**Associate**” has the meaning set out in the Securities Act;

“**Black-out Period**” means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);

“**Board**” means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;

“**Change of Control**” includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

- (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
- (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

**“Common Shares”** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or, NEX, as the case may be);

**“Company”** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

**“Consultant”** means an individual or Consultant Company, other than an Employee, Officer or Director that:

- (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
- (ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
- (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;

**“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

**“Directors”** means the directors of the Company as may be elected from time to time;

**“Discounted Market Price”** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange policies;

**“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

**“Distribution”** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

**“Effective Date for an Option”** means the date of grant thereof by the Board

**“Employee”** means:

- (i) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
- (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over

the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

**“Exchange Hold Period”** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

**“Exercise Price”** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

**“Expiry Date”** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;

**“GD Regulatory Approval”** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;

**“Insider”** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;

**“Investor Relations Activities”** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;

**“Management Company Employee”** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;

**“Market Price”** has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies;

**“NEX”** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;

**“NEX Issuer”** means a company listed on NEX;

**“NEX Policies”** means the rules and policies of NEX as amended from time to time;

**“Officer”** means a Board appointed officer of the Company;

**“Option”** means the right to purchase Common Shares granted hereunder to a Service Provider;

**“Option Commitment”** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;

**“Optioned Shares”** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

**“Optionee”** means the recipient of an Option hereunder;

**“Outstanding Shares”** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;

**“Participant”** means a Service Provider that becomes an Optionee;

**“Person”** includes a company, any unincorporated entity, or an individual;

**“Plan”** means this share option plan, the terms of which are set out herein or as may be amended;

**“Plan Shares”** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in Section 2(b);

**“Securities Act”** means the *Securities Act*, R.S.B.C. 1996, c. 418, or any successor legislation;

**“Service Provider”** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

**“Share Compensation Arrangement”** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;

**“Shareholder Approval”** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders’ meeting;

**“Take Over Bid”** means a take over bid as defined in Multilateral Instrument 62-104 (Takeover Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

**“TSX Venture”** means the TSX Venture Exchange and any successor thereto; and

**“TSX Venture Policies”** means the rules and policies of the TSX Venture as amended from time to time.

**(c) Other Words and Phrases**

Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

**(d) Gender**

Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

**2 SHARE OPTION PLAN**

**(a) Establishment of Share Option Plan**

The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

**(b) Maximum Plan Shares**

The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time shall not exceed 10% of the issued and outstanding Common Shares of the Company from time to time, at the time of granting of options, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

**(c) Eligibility**

Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or

to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

**(d) Options Granted Under the Plan**

All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

**(e) Option Commitment**

Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

**(f) Limitations on Issue**

Subject to Section (j), the following restrictions on issuances of Options are applicable under the Plan:

- (i) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (ii) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
- (iii) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

**(g) Options Not Exercised**

In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

**(h) Powers of the Board**

The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:

- (i) allot Common Shares for issuance in connection with the exercise of Options;
- (ii) grant Options hereunder;
- (iii) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the

alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and

- (iv) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

**(i) Amendment of the Plan by the Board of Directors**

Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (i) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (ii) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (iii) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (iv) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (v) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vi) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

**(j) Amendments Requiring Disinterested Shareholder Approval**

The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (i) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
  - (A) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
  - (B) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
  - (C) the issuance to any one Optionee, within a 12month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or

- (ii) any reduction in the Exercise Price of an Option previously granted to an Insider.

**(k) Options Granted Under the Company's Previous Share Option Plans**

Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

**3 TERMS AND CONDITIONS OF OPTIONS**

**(a) Exercise Price**

The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

**(b) Term of Option**

An Option can be exercisable for a maximum of 10 years from the Effective Date.

**(c) Option Amendment**

- (i) Subject to Section 2(j)(ii), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price;
- (ii) An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in Section 3(b); and
- (iii) Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

**(d) Vesting of Options**

Subject to Section 3(e), vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (ii) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

**(e) Vesting of Options Granted to Consultants Conducting Investor Relations Activities**

Notwithstanding Section 3(d), Options granted to Consultants conducting Investor Relations Activities will vest:

- (i) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (ii) such longer vesting period as the Board may determine.

**(f) Effect of Take-Over Bid**

If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding Sections 3(d) and 3(e) or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

**(g) Acceleration of Vesting on Change of Control**

In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control. No options granted to Consultants conducting Investor Relations Activities may vest without prior acceptance of the TSX Venture (or the NEX, as the case may be).

**(h) Extension of Options Expiring During Blackout Period**

Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10<sup>th</sup>) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for purposes under the Plan. Notwithstanding Section 2(h), the tenth Business Day period referred to in this Section 3(h) may not be extended by the Board.

**(i) Optionee Ceasing to be Director, Employee or Service Provider**

Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (i) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (ii) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (iii) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

**(j) Non Assignable**

Subject to Section 3(i)(i), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

**(k) Adjustment of the Number of Optioned Shares**

The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (i) in the event of a subdivision of Common Shares as constituted on the date hereof: at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (ii) in the event of a consolidation of the Common Shares as constituted on the date hereof at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (iii) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- (iv) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Section 3(k);
- (v) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (vi) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the

provisions of this Section 3(k), be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

- (vii) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Section 3(k), such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

#### **4 COMMITMENT AND EXERCISE PROCEDURES**

##### **(a) Option Commitment**

Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

##### **(b) Manner of Exercise**

An Optionee who wishes to exercise his Option may do so by delivering

- (i) a written notice to the Company in the form attached hereto as Schedule B or such other form as the Company may require, specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (ii) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to Section 4(c).

##### **(c) Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in Section 4(b) and elsewhere in this Plan, and as a condition of exercise:

- (i) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (ii) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

**(d) Delivery of Optioned Shares and Hold Periods**

As soon as practicable after receipt of the notice of exercise described in Section 4(b) and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture at the time of grant, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

**5 GENERAL**

**(a) Employment and Services**

Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

**(b) No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the Income Tax Act (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

**(c) Interpretation**

The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

**(d) Effective Date of the Plan**

The Plan has been approved by the Board effective February 12, 2021.

**(e) Amendment of the Plan**

The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

**SCHEDULE A**

**SHARE OPTION PLAN OPTION COMMITMENT**

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Effective Date") JAZZ RESOURCES INC. (the "Company") has granted to \_\_\_\_\_ (the "Optionee"), an Option to acquire \_\_\_\_\_ Common Shares ("Optioned Shares") up to 5:00 p.m. Vancouver Time on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Expiry Date") at an Exercise Price of Cdn\$ \_\_\_\_\_ per share.

Optioned Shares are to vest immediately.

**OR**

Optioned Shares will vest *[INSERT VESTING SCHEDULE AND TERMS]*

The Options will expire \_\_\_\_\_ days after the Optionee ceases to be employed by or provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non transferability legend from the date of this Option Commitment, the text of which is as follows. *[Note: A Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company's shares. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]*

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON *[insert date 4 months from the date of grant]*".

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies. The Optionee represents and warrants that he/she has not been induced to enter this Option Commitment either by the expectation of employment or continued employment with the Company or any subsidiary of the Company. The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture (or the NEX, as the case may be) on the date of this Option Commitment.

**JAZZ RESOURCES INC.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
*[NAME OF OPTIONEE]* - Signature of Optionee