

SPACKMAN EQUITIES GROUP INC.

Suite 2502, Scotia Place
Toronto, Ontario M5H 3Y2

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the "**Meeting**") of the shareholders of **Spackman Equities Group Inc.** (the "**Corporation**") will be held on Tuesday, July 6, 2021, at the hour of 10:00 a.m. (Eastern time), at the offices of Irwin Lowy LLP, 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2, for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the year ended December 31, 2020 and the report of the auditor thereon;
2. to appoint the auditors of the Corporation and to authorize the directors to fix their remuneration;
3. to elect the directors of the Corporation;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of shareholders approving and confirming the stock option plan of the Corporation;
5. to consider and, if deemed advisable, pass, with or without variation, a special resolution to amend the articles of arrangement of the Corporation to consolidate each of the issued and outstanding common shares of the Corporation by changing a maximum of 10 pre-consolidation common shares of the Corporation, or such lesser number of pre-consolidation common shares as the directors of the Corporation in their discretion may determine, into one post-consolidation common share of the Corporation, as more fully described in the accompanying management information circular dated June 1, 2021 of the Corporation; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his or her duly executed form of proxy with the Corporation's transfer agent and registrar, Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 not later than 10:00 a.m. (Eastern time) on Friday, July 2, 2021 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Corporation has by resolution fixed the close of business on Tuesday, June 1, 2021 as the record date, being the date for the determination of the registered holders of common shares of the Corporation entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein and in the accompanying management information circular dated June 1, 2021 of the Corporation.

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice Meeting.

Additional information about the Corporation and its consolidated financial statements are also available on the Corporation's profile at www.sedar.com.

DATED at Toronto, Ontario on this 1st day of June, 2021.

BY ORDER OF THE BOARD

"Richard Lee" (signed)

Chief Executive Officer and Director

EXHIBIT A

SPECIAL RESOLUTION OF THE SHAREHOLDERS

OF

**SPACKMAN EQUITIES GROUP INC.
(the "Corporation")**

AMENDMENT TO ARTICLES OF ARRANGEMENT

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the articles of arrangement of the Corporation be amended to consolidate each of the issued and outstanding common shares of the Corporation by changing a maximum of 10 pre-consolidation common shares of the Corporation, or such lesser number of pre-consolidation common shares as the directors of the Corporation in their discretion may determine, into one post-consolidation common share of the Corporation (the "**Consolidation**"), provided that in the event the Consolidation would result in a shareholder of the Corporation holding a fraction of a common share, a shareholder shall not receive a whole common share of the Corporation for each such fraction;
2. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation be, and they are hereby authorized and empowered to revoke, all, or any part of, this resolution at any time prior to the issue of a certificate of amendment giving effect to the above-noted amendments and to determine not to proceed with all, or any part of, the proposed amendments to the articles of continuance of the Corporation without further approval of the shareholders of the Corporation; and
3. any director or officer of the Corporation be and he or she is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of the articles of amendment in the prescribed form to the Director appointed under the *Canada Business Corporations Act*, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

SPACKMAN EQUITIES GROUP INC.

Suite 2502, Scotia Place
Toronto, Ontario M5H 3Y2

MANAGEMENT INFORMATION CIRCULAR

As at June 1, 2021

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF SPACKMAN EQUITIES GROUP INC. (the "**Corporation**") of proxies to be used at the annual meeting of shareholders of the Corporation to be held on Tuesday July 6, 2021 at the office of Irwin Lowy LLP, 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 at the hour of 10:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the "**Meeting**") for the purposes set out in the enclosed notice of meeting (the "**Notice of Meeting**"). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice of Meeting, this management information circular (the "**Circular**"), the annual consolidated financial statements of the Corporation for the financial year ended December 31, 2020 and related management's discussion and analysis and other meeting materials, if applicable (collectively the "**Meeting Materials**") to the beneficial owners of the common shares of the Corporation (the "**Common Shares**") held of record by such parties. The Corporation may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Corporation. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein and in the accompanying management information circular dated June 1, 2021 of the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

A holder of Common Shares who appears on the records maintained by the Corporation's registrar and transfer agent as a registered holder of Common Shares (each a "**Registered Shareholder**") may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Corporation. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Corporation's transfer agent and registrar, Computershare Investor Services Inc. (the "**Transfer Agent**"), not later than 10:00 a.m. (Eastern time) on Friday, July 2, 2021 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A

form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

| | |
|----------------------------------|---|
| By Mail or Hand Delivery: | Computershare Investor Services Inc. 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 |
| Telephone: | 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) You will need to provide your 15 digit control number (located on the form of proxy accompanying this Circular) |
| By Internet: | www.investorvote.com You will need to provide your 15 digit control number (located on the form of proxy accompanying this Circular) |

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the provisions of the *Business Corporations Act* (Ontario), by electronic signature, to (i) the registered office of the Corporation, located at Suite 2502, Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3Y2, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders of the Corporation do not hold Common Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a beneficial holder of Common Shares who does not appear on the records maintained by the Transfer Agent as a registered holder of Common Shares (each a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-

Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency, such as CDS Clearing and Depository Services Inc., (each a "**Clearing Agency**") of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

Distribution of Meeting Materials to Non-Registered Holders

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Corporation or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Corporation's OBOs can expect to be contacted by their Intermediary. The Corporation intends to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs, unless the OBO has waived the right to receive them. The Corporation will pay for the Intermediaries to deliver the meeting materials to each OBO..

Voting by Non-Registered Holders

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

Voting Instruction Form. In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a "**VIF**"). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

Form of Proxy. Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that 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. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must

complete and sign the form of proxy and in accordance with the directions on the form.

Voting by Non-Registered Holders at the Meeting

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Corporation as maintained by the Transfer Agent, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of special shares issuable in series. As of Tuesday, June 1, 2021 (the "**Record Date**"), there were a total of 148,900,183 Common Shares issued and outstanding and no special shares outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Corporation's directors and executive officers, as of the date hereof, 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 the outstanding Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation who was a director or executive officer at any time since the beginning of the Corporation's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than as disclosed in this Circular.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Corporation (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. RECEIPT OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2020 and the report of the auditor thereon will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The consolidate financial statements and additional information concerning the Corporation are available under the Corporation's profile at www.sedar.com.

2. APPOINTMENT OF AUDITORS

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE

APPOINTMENT OF MNP LLP, AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MNP LLP were first appointed as the auditors of the Corporation on November 2, 2016.

3. ELECTION OF DIRECTORS

The following table states the names of the persons nominated by management for election as directors, any offices with the Corporation currently held by them, their principal occupations or employment, the period or periods of service as directors of the Corporation and the approximate number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

| Name, province or state and country of residence and position, if any, held in the Corporation | Principal Occupation | Served as Director of the Corporation since | Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾ | Percentage of Voting Shares Owned or Controlled |
|--|---|---|---|---|
| William Hale ⁽²⁾ Saskatchewan, Canada Director | President, Your Next EV Sales Ltd. | June 24, 2013 | Nil | Nil |
| Richard Lee ⁽²⁾ Singapore Chief Executive Officer, Chairman and Director | Chief Executive Officer and Chairman of the Corporation | October 31, 2011 | Nil | Nil |
| Kyoungwom Na ⁽²⁾ Singapore Director | Chief Operating Officer and President of Spackman Entertainment Group Limited | November 8, 2017 | Nil | Nil |
| Douglas Babcook ⁽²⁾ British Columbia, Canada Director | President, DRB and Associates | November 28, 2014 | 50,000 | 0.03% |

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

Corporate Cease Trade Orders or Bankruptcies

No proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) 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 (collectively an "**Order**") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; 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.

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Personal Bankruptcies

None of the directors of the Corporation have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

4. APPROVAL AND CONFIRMATION OF THE STOCK OPTION PLAN

The Corporation has adopted a "rolling" stock option plan (the "**Stock Option Plan**") for officers, directors, employees and consultants of the Corporation. The Stock Option Plan provides for the issue of stock options to acquire up to 10% of the issued and outstanding Common Shares as at the date of grant, subject to standard anti-dilution adjustment. This is a "rolling" stock option plan as the number of Common Shares reserved for issue pursuant to the grant of stock options will increase as the number of issued and outstanding Common Shares increases. At no time will more than 10% of the outstanding Common Shares be subject to grant under the Stock Option Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares in respect of that expired, exercised or terminated stock option shall again be available for the purpose of the Stock Option Plan. The principal features of the Stock Option Plan are described in more detail below in the section entitled "*Statement of Executive Compensation – Stock Option Plan and other Incentive Plans*".

The Stock Option Plan was last approved and confirmed by the shareholders of the Corporation at the annual and special meeting of shareholders held on June 25, 2019.

The Stock Option Plan is a "rolling" stock option plan and under Policy 4.4 of the TSX Venture Exchange (the "**TSXV**"), a listed company on the TSXV is required to obtain the approval of its shareholders for a "rolling" stock option plan at each annual meeting of shareholders. Accordingly, shareholders will be asked to approve the following resolution:

"BE IT RESOLVED THAT:

1. the stock option plan of the Corporation as described in the management information circular dated June 1, 2021, be and it is hereby confirmed and approved."

In accordance with the policies of the TSXV, the Stock Option Plan must be approved by the majority of votes cast at the Meeting on the resolution.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

5. AMENDMENT TO THE ARTICLES OF ARRANGEMENT

At the Meeting, shareholders are being asked to consider and, if deemed advisable, pass, with or without variation, a special resolution, the text of which is attached as exhibit A to the Notice (the "**Amendment Resolution**"), which would authorize the Corporation to amend the articles of arrangement of the Corporation to consolidate each of the issued and outstanding common shares of the Corporation by changing a maximum of 10 pre-consolidation common shares of the Corporation, or such lesser number of pre-consolidation common shares as the directors of the Corporation in their discretion may determine, into one post-consolidation common share of the Corporation (the "**Consolidation**").

In the event that shareholders pass the Amendment Resolution and the Board determines to consolidate on a one-for-10 basis, the presently issued and outstanding 148,900,183 Common Shares will be consolidated into approximately 14,890,018 Common Shares. If the Board determines to consolidate the Common Shares on a lesser basis, more Common Shares will remain outstanding following the Consolidation. If the Consolidation would otherwise result in a shareholder holding a fraction of a Common Share, no fraction or fractional certificate will be issued and the shareholder will not receive a whole Common Share for each such fraction held. In all other respects, the post-consolidated Common Shares will have the same attributes as the existing Common Shares.

In order to pass the Amendment Resolution, at least two-thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Amendment Resolution. If the Amendment Resolution does not receive the requisite shareholder approval, the articles of continuance of the Corporation will remain unchanged.

The Board recommends that shareholders vote in favour of the Amendment Resolution to approve the amendments as set out above.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE AMENDMENT RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH AMENDMENT RESOLUTION.

STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Corporation as at December 31, 2020 whose total compensation was more than \$150,000 for the financial year of the Corporation ended December 31, 2020 (collectively the "**Named Executive Officers**") and for the directors of the Corporation.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years of the Corporation to the Named Executive Officers and the directors of the Corporation:

| TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES ⁽¹⁾ | | | | | | | |
|--|----------------------------------|---|------------|--------------------------------|---------------------------|---|-------------------------|
| Name and position | Year/Period Ended ⁽⁶⁾ | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) ⁽⁷⁾ | Total compensation (\$) |
| Richard Lee Chief Executive Officer, Chairman and Director | 2020 | nil | nil | nil | nil | nil | nil |
| | 2019 | nil | nil | nil | nil | nil | nil |
| Alex Falconer ⁽²⁾ Chief Financial Officer | 2020 | 32,174 | nil | nil | nil | nil | 32,174 |
| | 2019 | 31,589 | nil | nil | nil | nil | 31,589 |
| William Hale ⁽³⁾ Director | 2020 | 7,500 | nil | nil | nil | nil | 7,500 |
| | 2019 | 7,500 | nil | nil | nil | nil | 7,500 |
| Kyoungwon Na ⁽⁴⁾ Director | 2020 | nil | nil | nil | nil | nil | nil |
| | 2019 | nil | nil | nil | nil | nil | nil |
| Douglas Babcock ⁽⁵⁾ Director | 2020 | 7,500 | nil | nil | nil | nil | 7,500 |
| | 2019 | 7,500 | nil | nil | nil | nil | 7,500 |
| John Pennal ⁽⁶⁾ Former Vice-President and Director | 2020 | 45,000 | nil | nil | nil | nil | 45,000 |
| | 2019 | 60,000 | nil | nil | nil | nil | 60,000 |

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) Stated in US dollars.
- (3) Mr. William Hale was appointed a director on June 24, 2013.
- (4) Mr. Kyoungwon Na was appointed a director on November 8, 2017.
- (5) Mr. Douglas Babcock was appointed a director on November 28, 2014.
- (6) Mr. John Pennal passed away on October 2, 2020.

Stock Options and Other Compensation Securities

The Corporation did not grant or issue any compensation securities during the most recently completed financial year of the Corporation for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries:

None of the Named Executive Officers or directors of the Corporation exercised any compensation securities during the most recently completed financial year of the Corporation.

Stock Option Plan and other Incentive Plans

The Corporation has in place the Stock Option Plan which was last approved by the shareholders of the Corporation on June 25, 2019.

The Corporation currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan. The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Corporation by directors, officers, employees and consultants of the Corporation and its affiliates and other designated persons. Stock options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Corporation and its subsidiaries and other designated persons as designated from time to time by the Board.

The number of Corporation which may be reserved for issue under the Stock Option Plan is limited to 10% of the issued and outstanding number of Common Shares as at the date of the grant of stock options. As at the date hereof, 14,890,018 stock options may be reserved for issue pursuant to the Stock Option Plan, no stock options have been issued and 14,890,018 stock options are available for issue.

Any Common Shares subject to a stock option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares at the time of grant. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding 10 years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Corporation or any of its subsidiaries or ceasing to have a designated relationship with the Corporation, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Corporation's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Corporation in respect of stock options granted under the Stock Option Plan.

The Corporation has no equity compensation plans other than the Stock Option Plan.

Employment, Consulting and Management Agreements

The Corporation does not employment agreements between the Corporation or any subsidiary or affiliate thereof and its Named Executive Officers:

There are no employment agreements in place with any of the directors of the Corporation.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

The Board, at the recommendation of the management of the Corporation, determines the compensation payable to the directors of the Corporation and reviews such compensation periodically throughout the year. For their role as directors of the Corporation, each director of the Corporation who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the stock option plan of the Corporation. There are no other arrangements under which the directors of the Corporation who are not Named Executive Officers were compensated by the Corporation or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Corporation

Compensation of Named Executive Officers

Principles of Executive Compensation

When determining the compensation of the Named Executive Officers, the Board considers the limited resources of the Corporation and the objectives of: (i) recruiting and retaining the executives critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Corporation; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. In order to achieve these objectives, the compensation paid to the Named Executive Officers consists of the following components:

- (a) base fee; and
- (b) long-term incentive in the form of stock options.

The Board is responsible for the Corporation's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Corporation and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning grants to eligible persons under the stock option plan of the Corporation. The Board reviews and approves the hiring of executive officers.

Base Fees

The Board approves the base fee ranges for the Named Executive Officers. The review of the base fee component of each Named Executive Officer compensation is based on assessment of factors such as executive's performance, a consideration of competitive compensation levels in companies similar to the Corporation and a review of the performance of the Corporation as a whole and the role such executive played in such corporate performance. As of the date of this Circular, the Board had not, collectively, considered the implications of any risks associated with policies and practices regarding compensation of its directors or executive officers.

Long Term Compensation

The Corporation currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Corporation.

Termination and Change of Control Benefits

The Corporation has not provided compensation, monetary or otherwise, during the two preceding fiscal years, to any person who now acts or has previously acted as a Named Executive Officer or director of the Corporation in connection with or related to the retirement, termination or resignation of such person. The Corporation has not provided any compensation to such persons as a result of a change of control of the Corporation, its subsidiaries or affiliates. Except as set forth under the heading "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*" in this Circular, the Corporation is not party to any compensation plan or arrangement with Named Executive Officers or directors of the Corporation resulting from the resignation, retirement or the termination of employment of such person.

SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans of the Corporation under which equity securities are authorized for issue as of December 31, 2020:

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (#) | Weighted-average exercise price of outstanding options, warrants and rights (\$) | Number of securities remaining available for future issue under equity compensation plans (#) |
|---|--|---|--|
| Equity compensation plans approved by securityholders | nil | nil | nil |
| Equity compensation plans not approved by securityholders | nil | nil | nil |
| Total | nil | nil | nil |

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, no director, executive officer or principal shareholder of the Corporation, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year end of the Corporation or in any proposed transaction that has materially affected or will materially affect the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Corporation or person who acted in such capacity in the last financial year of the Corporation, or any other individual who at any time during the most recently completed financial year of the Corporation was a director of the Corporation or any associate of the Corporation, is indebted to the Corporation, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual meeting. The Corporation is a "venture issuer" for the purposes of NI 52-110.

Audit Committee Charter

The full text of the charter of the Corporation's Audit Committee (the "**Audit Committee Charter**") is attached hereto as schedule A.

Composition of the Audit Committee

The Audit Committee members are currently Douglas Babcook, William Hale and Richard Lee, each of whom is a director and financially literate. Messrs. Babcook and Hale are each independent in accordance with NI 52-110.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

Richard Lee, Chief Executive Officer, Chairman and Director – Mr. Lee was Interim Chief Executive Officer of Spackman Entertainment Limited from January 2019 to February 2020. From October 2013 to January 2019, he was the Head of Business Development for Spackman Entertainment Group Limited. Prior to that he was a Senior Vice President at CIMB Securities USA and the head of Korean Equity Sales in CIMB's New York office. Mr. Lee graduated with an A.B. from Harvard College.

William Hale, Director – Mr. Hale is President of Your Next EV Sales Ltd., a used electric vehicle dealership located in Saskatoon, Saskatchewan. He was an energy consultant from January, 2020 to April, 2021 in the electric vehicle and solar energy industries. From October 15, 2018 to December 3, 2019 he was Manager, Facilities Sustainability and Engineering, University of Saskatchewan. Prior to September 15, 2018 he was Head of Business Development, Saskatoon Region, Skyfire Energy Inc., a solar power company. From August 2016 to April 2018 he was Technical Sales Lead for Suncatcher Solar Ltd., a renewable power company. From September 2008 to July 2016 he was Commercial Manager, Hatch Ltd. Mr. Hale has over 25 years of management and project development experience in the manufacturing and renewable energy sectors. Mr. Hale holds a B.A.Sc. in Mechanical Engineering from the University of Waterloo and an M.B.A. from the University of Oxford.

Douglas Babcook, Director – Mr. Babcook is the President of DRB and Associates which acts as a consultant to the worldwide beverage and brewing industry. He holds a B.S.A. from the University of Toronto.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation if a circumstance arises that affects the business or operations of the Corporation and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Corporation);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation if an Audit Committee member becomes a control person of the Corporation or of an affiliate of the Corporation for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

The Corporation is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Corporation is relying upon the exemption in section 6.1 of NI 52-110 providing that the Corporation is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Corporation for professional services rendered to the Corporation during the fiscal years ended December 31, 2020:

| Year | Audit Fees (\$) | Audit-Related Fees (\$) | Tax Fees (\$) | All Other Fees (\$) |
|------------------------------|--------------------|----------------------------|------------------|------------------------|
| Year ended December 31, 2020 | 36,000 | 770 | nil | nil |
| Year ended December 31 2019 | 36,000 | 770 | nil | nil |

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly consolidated financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

REPORT ON CORPORATE GOVERNANCE

The Corporation believes that adopting and maintaining appropriate governance practices is fundamental to a well-run Corporation, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Corporation's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. The Corporation will continue to review and implement corporate governance guidelines as the business of the Corporation progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Corporation's approach to governance and outlines the various procedures, policies and practices that the Corporation and the Board have implemented.

Board of Directors

The Board is currently composed of four directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Corporation by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the Corporation. "Material

relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed director nominees, Mr. Richard Lee, the Chief Executive Officer and Chairman of the Corporation and Mr. Na, the Chief Financial Officer of Spackman Media Group Limited are considered not to be "independent". The remaining two proposed director nominees, Mr. Hale and Mr. Babcock, 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 Board has examined the circumstances of each director in relation to a number of factors.

Directorships (confirmed)

The following table sets forth the directors, and proposed directors, of the Corporation who currently hold directorships with other reporting issuers:

| Name of Director | Reporting Issuer |
|-------------------------|--------------------------------------|
| Richard Lee | Spackman Entertainment Group Limited |
| Kyoungwon Na | Spackman Entertainment Group Limited |

Board Committees

The Board has constituted one committees. The following directors are the current members of the following committees:

- *Audit Committee:* Richard Lee, William Hale and Douglas Babcock.

Members of this committee are appointed annually to hold office until the next annual meeting of the shareholders of the Corporation or until their successors are appointed.

Audit Committee

The Audit Committee is composed of three directors as named above, two of whom are "independent". The operation of the Audit Committee is described in the heading "*Audit Committee Information Required in the Information Circular of a Venture Issuer*" in this Circular.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members who are familiar with the Corporation and the nature of its business have been nominated.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct designed to promote integrity and to deter wrongdoing through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

Other Board Committees

The Board currently does not have any standing committees other than as set out under the heading "*Report on Corporate Governance – Board Committees*" in this Circular.

Assessments

The Board monitors but does not formally assess the effectiveness and contribution of the Board, its committees and individual Board members. To date, the Board has satisfied itself, through informal discussions that the Board, its committees and individual Board members are performing effectively.

OTHER MATTERS

The management of the Corporation knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the Corporation's form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders may contact the Corporation in order to request copies of: (i) this Circular; and (ii) the Corporation's consolidated financial statements and the related management's discussion and analysis (the "**MD&A**") which will be sent to the shareholder without charge upon request. Financial information is provided in the Corporation's consolidated financial statements and MD&A for the financial year ended December 31, 2020 of the Corporation.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Toronto, Ontario, on the 1st day of June, 2021.

BY ORDER OF THE BOARD

"Richard Lee" (signed)

Chief Executive Officer, Chairman and Director

SCHEDULE A

SPACKMAN EQUITIES GROUP INC.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

(ATTACHED)

SPACKMAN EQUITIES GROUP INC.

AUDIT COMMITTEE CHARTER

1. Role of the Committee

The board of directors of Spackman Equities Group Inc. (the "Corporation") shall appoint an Audit Committee (the "Committee").

The Committee's role shall be to assist the board to promote and improve the credibility and objectivity of financial reports.

The Committee shall oversee the accounting and financial reporting processes of the Corporation and review and recommend for approval by the board the financial statements, MD&A and earnings news releases.

The Committee will manage the relationship between the Corporation and the external auditors by overseeing the work of the external auditors and by making recommendations to the board on the engagement, remuneration and termination of the external auditors based on its evaluation of performance.

The Committee shall pre-approve all non-audit services the external auditors propose to provide to the Corporation.

The Committee shall facilitate and maintain open communications among management, the external auditors, and the board.

The Committee shall be responsible for the discharge of such other duties as may be prescribed by regulatory authorities or delegated by the board.

2. Membership

The Committee shall be comprised of three or more directors the majority of whom shall be independent as determined by the board in conformity with the laws, regulations and listing requirements to which the Corporation is subject. An independent Committee member is one who has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, as determined by the board, reasonably interfere with the exercise of a member's independent judgement.

The Chair of the Committee shall be appointed by the board of directors. A quorum shall consist of two directors.

All members of the Committee shall in the judgment of the board of directors be "financially literate" and if possible, at least one member shall qualify as a "financial expert". "Financially literate" shall mean 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 Corporation's financial statements. A "financial expert" shall mean a person who has: (a) an understanding of financial statements and the accounting principles used by the Corporation to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for

estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls and procedures for financial reporting; and (e) an understanding of audit Committee functions. The designation of a person as a financial expert will not impose any duties, obligations or liabilities greater than those arising by virtue of this person's position as a member of the audit Committee or board of directors.

3. Meetings

The Committee shall meet at least four times per year and at such other times as any member of the Committee deems necessary to fulfill its responsibilities. The Corporation's external auditors will normally not be required to attend meetings of the Committee except for the meeting at which the audited annual financial statements are considered. At each meeting, the Committee shall meet separately with management and the external auditors, if they are present, to discuss any matters the Committee or any of these parties believe should be discussed privately.

4. Reporting to the Board

Minutes of all meetings of the Committee are to be sent to all board members. All supporting schedules and data received and reviewed by the Committee are to be available for examination by any director upon request to the Chairman of the Committee.

5. Authority

The Committee shall have direct access to all books, records, facilities and personnel of the Corporation including to the external auditor as it determines this to be advisable. All employees are to cooperate as requested by Committee members.

The Committee shall have the authority to retain persons having special expertise in legal, accounting or other matters as it determines to be necessary to assist it in discharging its responsibilities. The Committee shall have the authority to set and pay the compensation of any advisors it engages.

The board of directors may authorize the Committee to investigate any activity of the Corporation.

6. Responsibilities

In the discharge of its role, the Committee will have the responsibility to:

- (a) recommend to the board the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation and the compensation of the external auditors;
- (b) confirm the external auditors are participants in good standing with the Canadian Public Accountability Board;
- (c) review the external auditor engagement letter and confirm the direct reporting and accountability of the auditors to the audit Committee and through the Committee to the board of directors as representatives of the shareholders;
- (d) pre-approve any non-audit services to be provided by the external auditors and generally assess the independence of the external auditors having reference to the Independence Standards of the CICA; the pre-approval requirement may be satisfied if (a) the aggregate amount of all the non-audit services that were not pre-approved

constitutes no more than 5% of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the services were provided; (b) the services were not recognized by the Corporation at the time of the engagement to be non-audit services; and (c) the services were promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the audit Committee or by one or more members of the Committee to whom the Committee may delegate authority to grant such approvals;

- (e) ensure the rotation of the lead audit partner and/or the audit partner responsible for reviewing the audit as required by law;
- (f) review and approve the Corporation's hiring policies regarding employees or persons previously employed by the present or former external auditors;
- (g) review the scope of the external auditors' audit plan and the procedures to be utilized with the external auditors and with management.
- (h) review with management and with the external auditors all major accounting policies and practices adopted, any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
- (i) question management regarding significant variances between comparative reporting periods;
- (j) review (i) the audited annual financial statements with management and the external auditors and (ii) the quarterly financial statements of the Corporation with management, and recommend the same to the board;
- (k) question management and the external auditors regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (l) review any restrictions imposed by management in performing the external audit or significant accounting issues on which there was a disagreement with management;
- (m) review the post-audit or management letter, containing the recommendations of the external auditors, and management's response and subsequent follow up to any identified weakness;
- (n) review and recommend for the approval by the board the Management's Discussion & Analysis reports, news releases and any earnings guidance and all public disclosure documents containing audited or unaudited financial information before release;
- (o) review the quarterly reports issued by management and subsequent follow up to any identified weakness;
- (p) review with management significant financial risk exposures, the steps taken to monitor and control such exposures and approve any related policies;
- (q) review the appointments of any key financial executives involved in the financial reporting process;
- (r) review with management the status of any material pending or threatened litigation;

- (s) review the adequacy and quality of any insurance coverage maintained by the Corporation;
- (t) inquire of the CEO as to the Corporation's disclosure controls and procedures and as to the existence of any significant deficiencies in the design or operation of internal controls and any fraud that involves employees who have a significant role in the Corporation's internal controls; and
- (u) review the status of compliance with laws and regulations and the scope and status of systems designed to ensure compliance therewith and receive reports from management, legal counsel and other third parties as determined by the Committee on such matters, as well as major legislative and regulatory developments which could impact the Corporation's contingent liabilities and risks.

7. Business Conduct Policies

The Committee will review and reassess annually the adequacy of the Corporation's Code of Ethical Conduct and Business Practices and its policies and procedures with respect to Corporate Disclosure, Confidentiality and Restricted Trading Policies.

8. Allocation of Responsibilities

Management is responsible for operating the business of the Corporation and for its internal controls and the financial reporting process. The external auditors are responsible for performing an independent audit of the Corporation's consolidated financial statements in accordance with generally accepted auditing standards and for issuing a report thereon. The external auditors shall report and be accountable to the Committee and through the Committee to the board of directors as representatives of shareholders. The Committee's responsibility is to monitor and oversee these processes on behalf of the board. The Committee is not charged with the duty to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and in accordance with generally accepted accounting principles.

The existence of the Committee and the delegation to it of certain powers and duties by the board of directors does not relieve individual members of the board of directors from the responsibility of satisfying themselves that the affairs of the Corporation are being properly conducted.

9. Complaints

Concerns or complaints submitted to management pursuant to procedures set forth in the Code of Ethical Conduct and Business Practices or otherwise received by an employee of the Corporation, including but not restricted to concerns and complaints which relate to accounting, internal accounting controls or audit matters, shall be referred to the Chair of the Committee. The Committee shall deal with all such internal complaints relating to such matters.

No reprisal, retaliation or disciplinary action shall be taken against employees for reporting, in good faith, such concerns. The Chair of the Committee shall, if requested by the complainant, keep the identity of the complainant in confidence to the extent appropriate or permitted by law.

10. Annual Review

The Committee shall review the adequacy of this Charter on an annual basis and recommend any changes to the board.