



KADESTONE CAPITAL CORP.

NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR

For the Annual General Meeting of Shareholders

To be held on

July 11, 2024

At 9:00 a.m. (Pacific Time)

Dated June 7, 2024

KADESTONE CAPITAL CORP.

**1133 Melville Street, Suite 3500, The Stack
Vancouver, British Columbia V6E 4E5
Telephone Number: (604) 671-8142**

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders of Kadestone Capital Corp. (the “**Company**”) will be held at 1133 Melville Street, Suite 3500, The Stack, Vancouver, British Columbia V6E 4E5 on July 11, 2024 at 9:00 a.m. (Pacific Time) (the “**Meeting**”) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2023 with auditor’s report thereon;
2. to elect the directors of the Company for the ensuing year;
3. to appoint the Company’s auditor for the ensuing year and to authorize the directors to fix the remuneration to be paid to the Company’s auditor;
4. to consider, and if thought fit, to pass an ordinary resolution of shareholders to approve the Company’s amended and restated stock option plan, as more particularly described in the accompanying management information circular of the Company (the “**Information Circular**”) and as set out in Schedule “B” to the Information Circular; and
5. to transact such other business as may properly come before the Meeting or at any adjournment or postponement thereof.

The Information Circular, a form of proxy, a declaration of beneficial ownership and a return card to request financial statements also accompany this Notice of Meeting.

Only shareholders of record at the close of business on May 17, 2024 will be entitled to receive notice of, and to vote at, the Meeting or at any adjournment or postponement thereof. Shareholders who are unable to or who do not wish to attend the Meeting are requested to date and sign the enclosed form of proxy promptly and return it in the self-addressed envelope enclosed for that purpose or by any of the other methods indicated in the form of proxy. To be effective, a properly executed proxy must be received by mail or delivered by hand to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”). In order to be valid for use at the Meeting, proxies must be received by Computershare at its office at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting. The time limit for the deposit of proxies may be waived by the board of directors of the Company (the “**Board**”) at its discretion, without notice, but the Board is under no obligation to do so. Persons who are beneficial owners of common shares of the Company must complete and return the voting instruction form provided to them by their intermediary (such as a broker, custodian, trustee, nominee) and return it in accordance with the instructions accompanying such voting instruction form.

Dated as of the 7th day of June, 2024.

BY ORDER OF THE BOARD

(signed) “*Anthony Holler*”

Dr. Anthony Holler
Chair of the Board of Directors

KADESTONE CAPITAL CORP.

1133 Melville Street, Suite 3500, The Stack
Vancouver, British Columbia V6E 4E5
Telephone Number: (604) 671-8142

MANAGEMENT INFORMATION CIRCULAR

as at June 7, 2024 (except as otherwise indicated)

This management information circular (this “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Kadestone Capital Corp. (the “**Company**”) for use at the 2024 annual general meeting of the holders of common shares to be held at 9:00 a.m. (Pacific Time) on July 11, 2024 at 1133 Melville Street, Suite 3500, The Stack, Vancouver, British Columbia V6E 4E5 (the “**Meeting**”), for the purposes set forth in the accompanying Notice of Meeting (the “**Notice**”).

In this Information Circular, references to the “**Company**”, “**we**” and “**our**” refer to Kadestone Capital Corp., “**Common Shares**” means common shares in the capital of the Company, and “**Shareholders**” means the holders of Common Shares. “**Registered Shareholders**” means Shareholders who hold Common Shares in their own name. “**Beneficial Shareholders**” means Shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

C\$ or \$ refers to lawful money of Canada.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company to be used at the Meeting to be held at the time, place and for the purposes set out in the accompanying Notice. Solicitations of proxies will be primarily by mail, but may also be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company.

Voting by Proxyholder

The persons named in the enclosed form of proxy will vote or withhold from voting your Common Shares in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified in the proxy and, if applicable, for the management’s nominees for directors and auditors identified in the proxy.

Appointment of Proxyholder

The persons named in the enclosed form of proxy are executive officers and/or directors of the Company and have been appointed by management of the Company. A Registered Shareholder has the right to appoint some other person or company (who need not be a Shareholder) to represent him him/her/it at the

Meeting and may do so by inserting the name of such other person or company in the blank space provided in the proxy or by completing another suitable form of proxy.

In the case of Registered Shareholders, a completed, dated and signed proxy must be received by the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), at its office at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9. To be effective, a proxy must be received by Computershare not later than July 9, 2024 at 9:00 a.m. (Pacific time), or in the case of any adjournment or postponement of the Meeting, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of such adjournment or postponement. The time limit for deposit of proxies may be waived or extended by the chairman of the Meeting at their discretion, without notice.

Revocation of Proxy

In addition to any other manner permitted by law, a proxy may be revoked by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or their authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1133 Melville Street, Suite 3500, The Stack, Vancouver, British Columbia, V6E 4E5, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned or postponed, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation. Under normal conditions, confidentiality of voting is maintained by virtue of the fact that Computershare tabulates proxies and votes. However, such confidentiality may be lost as to any proxy or ballot if a question arises as to its validity or revocation or any other like matter. Loss of confidentiality may also occur if the board of directors of the Company (the "**Board**") decides that disclosure is in the interests of the Company or its Shareholders.

Beneficial Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such Common Shares are registered under the name of CEDE & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of Shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form ("**VIF**") from Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided

on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent these 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 Common Shares on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting. The Company does not intend to pay for intermediaries to forward the proxy-related materials to OBOs under NI 54-101 and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in the case of an OBO, the OBO will not receive such materials unless the OBO's intermediary assumes the cost of delivery.

The proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Shareholder), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any Shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Signature of Proxy

The proxy must be executed by the Registered Shareholder, or if the Registered Shareholder is a corporation, the proxy should be signed in its corporate name and its corporate seal must be affixed to the proxy or the proxy must be signed by an authorized officer whose title should be indicated. A proxy signed by an authorized officer or a person acting as attorney, executor, administrator or trustee, or in some other representative capacity, should reflect such person's full title as such and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Company).

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

Other than as disclosed herein, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only Common Shares carry voting rights at the Meeting. Each Common Share carries the right to one vote. The Board has fixed May 17, 2024 (the "**Record Date**") as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof, and only Shareholders of record at the close of business on the Record Date are entitled to such notice and to vote at the

Meeting. As at the Record Date, 46,928,247 Common Shares were issued and outstanding as fully paid and non-assessable Common Shares.

The proxy, VIF and declaration of beneficial ownership (which declaration of ownership is to be completed, if required, as per the instructions set out therein and returned to Computershare within the timelines applicable to the return of a proxy or VIF as set out above) accompanying this Information Circular allow each Shareholder to make the certifications referred to above. Shareholders attending the Meeting in person will be required to make the certifications when they arrive at the Meeting.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owned, or controlled or directed, directly or indirectly, shares carrying more than 10% of the voting rights attached to the Company's issued and outstanding Common Shares, other than:

Name	Number of Securities	Percentage of Outstanding Common Shares on an Undiluted and Diluted Basis
Brent Billey	7,760,100 Common Shares	16.54%
		14.61%
Travis Chen	14,891,375 Common Shares	31.73%
		28.04%

VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

Under the Articles of the Company, the quorum for the transaction of business at the Meeting is one or more persons present and being, or representing by proxy, two or more Shareholders entitled to attend and vote at the Meeting. A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the resolutions referred to in the accompanying Notice.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2023, report of the auditor thereon and related management's discussion and analysis, all of which may be obtained from SEDAR+ at www.sedarplus.ca, will be placed before the Meeting and have been filed with the securities commissions or similar regulatory authority in British Columbia, Alberta and Ontario.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors – See heading "*Election of Directors*".
2. Appointment of Auditor – See heading "*Appointment of Auditor*".
3. Approval of Stock Option Plan – See heading "*Approval of Stock Option Plan*".

ELECTION OF DIRECTORS

Numbers of Directors and Nominees for Election

The Company has nominated the five persons named below for election as directors of the Company at the Meeting, four of whom are current directors of the Company. Jacqueline Tucker has determined not to stand for re-election as a director of the Company at the Meeting and the Company has nominated Kent Sillars in her stead. Unless they resign, each director elected will hold office until the next annual general meeting of Shareholders or until the director's successor is elected or appointed, unless the director's office is earlier vacated under any of the relevant provisions of the Articles of the Company or the *Business Corporations Act* (British Columbia). It is the intention of the persons designated by management as proxyholders in the enclosed form of proxy to vote for the election to

the Board of those persons hereinafter designated as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in such Shareholder's proxy that such Shareholder's Common Shares are to be withheld from voting in the election of directors.**

The following table and the biographies below set out, among other things, the name of each of the persons proposed to be nominated for election as a director; all positions and offices in the Company presently held by each nominee; the nominee's principal occupation or employment for the last five years; the period during which the nominee has served as a director; and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of June 7, 2024.

Name, place of residence and positions with the Company	Principal occupation	Period served as a director since	Common Shares beneficially owned or controlled/directed
Brent Billey ⁽¹⁾ West Vancouver, British Columbia <i>President, Chief Executive Officer and Director</i>	Prior to joining Kadestone Mr. Billey's career spanned over 28 years at BC Hydro. Most recently responsible for large complex project negotiations with Indigenous groups in British Columbia. Brent has over \$700M worth of construction projects under his belt and has managed partnerships in the development of over \$1 billion in capital projects.	July 2, 2019	7,760,100 ⁽²⁾⁽³⁾
David Negrin ⁽⁴⁾⁽⁵⁾ West Vancouver, British Columbia <i>Director</i>	Mr. Negrin formally was CEO of the MST Development Corporation where he has served from 2016 until 2024. From 2007 until 2016, Mr. Negrin served as President of the Aquilini Development and Construction Ltd.	December 16, 2019	800,000 ⁽⁶⁾
Norm Mayr ⁽⁵⁾⁽⁷⁾⁽⁸⁾ Port Moody, British Columbia <i>Director</i>	Mr. Mayr has been retired since October 2016. Prior to that he was an Audit Partner having spent 38 years in public practice with KPMG.	February 6, 2020	Nil ⁽⁹⁾
Kent Sillars Langley, British Columbia <i>Proposed Director</i>	Mr. Sillars currently serves as the Founder and President of the Vesta Group of Companies since 1989. Mr. Sillars formally served on the board of directors of the Home Builders Association Vancouver.	N/A	Nil
Dr. Anthony Holler ⁽⁷⁾⁽¹⁰⁾ Penticton, British Columbia <i>Director</i>	Dr. Holler is currently the Chairman of the Board of Directors for Sunniva Inc.	November 22, 2021	Nil ⁽¹¹⁾

(1) Chair of the NCGC (as defined below).

(2) BMV Holdings Inc. holds 7,760,000 Common Shares and is 50% owned and directed by Brent Billey. In addition, Brent Billey holds 100 Common Shares individually.

(3) In addition to the Common Shares listed in the table above, Brent Billey holds 1,300,000 options to purchase Common Shares ("Options") that are exchangeable into 1,300,000 Common Shares.

(4) Chair of the Compensation Committee (as defined below)

(5) Member of the NCGC.

(6) In addition to the Common Shares listed in the table above, David Negrin holds 250,000 Options that are exchangeable into 250,000 Common Shares.

(7) Member of the Compensation Committee.

(8) Chair of the Audit Committee (as defined below)

(9) Norm Mayr holds 250,000 Options that are exchangeable into 250,000 Common Shares.

(10) Member of the Audit Committee.

(11) Dr. Anthony Holler holds 350,000 Options that are exchangeable into 350,000 Common Shares.

Director Biographies

Brent Billey – Chief Executive Officer, President and Director

Mr. Brent Billey is a founder, Chief Executive Officer and President of Kadestone Capital Corp. His emphasis is on building shareholder value through the identification and development of real estate assets and is accountable for the strategic direction and overall management of the company. Brent's career has spanned over 28 years with BC Hydro, most recently responsible for complex, large scale project negotiations with Indigenous groups in British Columbia. This included negotiations on property dispositions as well as long-term multifaceted relationship agreements. Brent has over \$700M worth of construction projects under his belt. He has also managed partnerships in the development of over \$1 billion in capital and customer driven projects while at BC Hydro. Prior to his role with Indigenous Relations, Brent managed multiple sectors in the Key Account Management group. These varied from healthcare and education, to large industrial and national accounts. Brent started his career in marketing with the Power Smart programs. He is recognized in the real estate industry for his ability to bring partners together to successfully deliver large scale projects.

Mr. Billey is party to a written employment agreement with the Company. Mr. Billey holds a diploma in Marketing from the Sauder School of Business, University of British Columbia. It is expected that Mr. Billey will devote approximately 100% of his time to the business of the Company to effectively fulfill his duties as President, Chief Executive Officer and Director.

David Negrin – Director

Mr. David Negrin formally was CEO of the MST Development Corporation managing significant amounts of real estate development with First Nations groups. Previously he was the President of Aquilini Development and Construction Ltd. Prior to joining Aquilini Development and Construction Ltd, David was the Senior Vice President of Concord Pacific Group. As an industry leader in restorative development, David has also served as both a Director and President of the Urban Development Institute – Pacific Region.

Mr. Negrin holds a master's degree in architecture from the Technical University of Nova Scotia. It is expected that Mr. Negrin will devote 10% of his time to the business of the Company to effectively fulfill his duties as a director of the Company.

Norm Mayr – Director

Mr. Norm Mayr is a chartered professional accountant (FCPA, FCA) and a retired (October 2016) Audit Partner having spent 38 years in public practice with KPMG. He was the Risk Management and Business Unit Professional Practice Partner for the Greater Vancouver Area practice of KPMG for the most recent 18 years of his career. In this role, Norm was responsible for managing risk in the audit practice, and regularly consulted with engagement teams dealing with complex financial reporting, accounting, audit and securities issues in their clients. During his career, Norm has had extensive experience in the mining, forestry, technology, real estate, retail and industrial markets sectors. Norm has lectured extensively on financial reporting matters. He was a founding member of the CICA Accounting Standards Board, and a member of the Canadian Advisory Group to the International Accounting Standards Committee. He recently completed a 10-year term as Chair of the Investigation Committee for the Chartered Professional Accountants of British Columbia, a committee charged with the responsibility of investigating alleged misconduct by its members.

Mr. Mayr FCPA, FCA holds a master's degree in business administration from the University of British Columbia. It is expected that Mr. Mayr will devote 10% of his time to the business of the Company to effectively fulfill his duties as a director of the Company.

Kent Sillars – Proposed Director

Mr. Kent Sillars is the Founder and President of the Vesta Group of Companies and has been involved in the development and construction of residential real estate communities in British Columbia and Alberta since 1989. The Vesta Group includes Vesta Properties Ltd., a real estate developer in British Columbia and Alberta and Tier Construction Ltd, a civil servicing contractor in Greater Vancouver. Vesta Properties Ltd has built over 6500 homes to date and has developed several large, mixed use communities in British Columbia and Alberta involving

residential, commercial and office properties. Kent is also the Founder and President of Pluto Systems, a cloud-based software company developing Construction and Development industry software solutions.

In addition to being an active member of the HAVAN (Home Builders Association Vancouver) for the last 25 years, including serving on the Board of Directors for 5 years, Mr. Sillars is also a member of the North American Home Builders Association and Calgary Home Builders Association.

Mr. Sillars completed his Bachelor of Business Administration (BBA) in Accounting and Finance at Simon Fraser University and also holds the certification CPA, CA from the Canadian Institute of Chartered Accountants. It is expected that Mr. Sillars will devote 10% of his time to the business of the Company to effectively fulfill his duties as a director of the Company.

Dr. Anthony Holler – Director

Dr. Anthony Holler serves as the Chairman of the Board of Directors for Sunniva Inc. Previously, Dr. Holler was Chairman of the Board of Directors for Perimeter Medical Imaging AI, Inc. and Chairman of the Board of Directors of CRH Medical Corporation (“**CRH**”) from December 2005 to March 2020. Prior to joining CRH, Dr. Holler was one of the founders of ID Biomedical Corporation (“**ID Biomedical**”). He held a number of executive positions with ID Biomedical, including Chief Executive Officer until the company was acquired by GSK plc (formerly GlaxoSmithKline plc) in December 2005 for \$1.7 billion. Dr. Holler was also Chairman of Corriente Resources Inc., which sold for approximately \$700 million to CRCC-Tongguan Investment Co. in 2010.

Before his involvement in public markets, Dr. Holler served as an Emergency Physician at University Hospital at the University of British Columbia. He holds a Bachelor of Science Degree and a Medical Degree from the University of British Columbia. His expertise includes strategic planning, mergers and acquisitions, and financing, with a singular focus on increasing shareholder value. It is expected that Dr. Holler will devote 10% of his time to the business of the Company to effectively fulfill his duties as a director of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director is, as at the date of this Information Circular, or has been within the ten years preceding the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade or similar 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 (collectively, an “**Order**”), when such Order was issued while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company; or (b) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, and which resulted from an event that occurred while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company, other than with respect to the following:

On June 22, 2020, Dr. Holler was the CEO and Chairman and Mr. Mayr was a director of Sunniva Inc. (“**Sunniva**”), which received a cease trade order issued by the British Columbia and Ontario Securities Commissions resulting from Sunniva failing to file its audited financial statements, related management discussion and analysis and related certifications for the financial year ended December 31, 2019. The cease trade order continues to be in effect at the date of this Information Circular. On October 18, 2020, Sunniva voluntarily filed for, and obtained, creditor protection under the Companies Creditors Arrangement Act (the “**CCAA**”) pursuant to an initial order from the Supreme Court of British Columbia. On June 18, 2021 Sunniva, pursuant to an order made by the Supreme Court of British Columbia on February 11, 2021, implemented the Amended and Consolidated Plan of Compromise and Arrangement, and was discharged and released from the CCAA proceedings.

No proposed director is, as at the date of this Information Circular, or has been within the ten years preceding the date of this Information Circular, a director or executive officer of any company (including the Company) 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 director has, within the ten years preceding 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 that person.

No proposed director 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 securityholder in deciding whether to vote for a proposed director.

CORPORATE GOVERNANCE DISCLOSURE

The following description of the corporate governance practices of the Company is provided further to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and the disclosure prescribed for “Venture Issuers” such as the Company.

Board of Directors

The Board recognizes that it is responsible for the stewardship of the Company, overseeing the conduct of the Company’s business and supervising management of the Company who remain responsible for the conduct of the business. The Board exercises its independent supervision by holding regular board meetings and soliciting input from management and the Company’s auditor as required.

As of the date of this Information Circular, the Board is comprised of five directors, four of whom are independent. Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director’s exercise of independent judgment. The Board has determined that Brent Billey, as President and Chief Executive Officer of the Company, is not considered independent. Each of Norm Mayr, David Negrin, Jacqueline Tucker and Dr. Anthony Holler are considered independent. Assuming the election of each proposed director, four of the five directors (namely, Norm Mayr, David Negrin, Kent Sillars and Dr. Anthony Holler) will be considered independent following the Meeting.

Directorships

The existing and proposed directors of the Company who are presently directors of other reporting issuers in Canada or elsewhere are as set out below:

Director / Proposed Director	Other Reporting Issuers
Norm Mayr	Sunniva Inc. – CSE: SNN SIR Royalty Income Fund – TSX: SRV.UN Canfor Pulp Products Inc. – TSX: CFX
Dr. Anthony Holler	Sunniva Inc. – CSE: SNN

Orientation and Continuing Education

New directors of the Company will participate in an initial information session on the Company in the presence of its senior executive officers to learn about, among other things, the business of the Company, its financial situation and its strategic planning. In addition, new directors will be furnished with appropriate documentation, providing them with information about, among other matters, the corporate governance practices of the Company, the structure of the Board and its committees (the “**Committees**”, and each a “**Committee**”), the Company’s history, its commercial activities, its corporate organization, the charters of the Board and the Committees, the Articles, the Company’s Code of Business Conduct and Ethics (the “**Code**”) and other relevant corporate policies. The Company

will support all directors who wish to attend continuing education programs and intends to facilitate such continuing education of its directors where appropriate, including, from time to time, by hosting brief information sessions during Board meetings by invited external advisors. In addition, management will periodically make presentations to the directors on various topics, trends and issues related to the Company's activities during meetings of the Board or the Committees, which will be intended to help the directors to constantly improve their knowledge about the Company and its business.

Ethical Business Conduct

The Board has adopted the Code which applies to directors, officers and employees. The objective of the Code is to provide guidelines for enhancing our reputation for honesty, integrity and the faithful performance of undertakings and obligations. The Code addresses conflicts of interest, use of Company assets, inventions, use of Company email and internet services, disclosure, corporate opportunities, confidentiality, fair dealing and compliance with laws. As part of the Code, any person subject to the Code is required to avoid any activity, interest (financial or otherwise) or relationship that would create or appear to create a conflict of interest.

The directors are responsible for monitoring compliance with the Code, for regularly assessing its adequacy, for interpreting the Code in any particular situation and for approving changes to the Code from time to time.

Directors and executive officers are required by applicable law and the Company's corporate governance practices and policies to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, applicable law and principles of sound corporate governance require them to declare the interest in writing or by requesting to have it entered in the minutes of meetings of directors or of meetings of Committees, and where required by applicable law, to abstain from voting with respect to such agreement or transaction.

A copy of the Code may be obtained by contacting the Company.

The Company has also adopted an Insider Trading Policy, a Disclosure Policy, and a Whistleblower Policy, which complement the obligations of the directors, officers and employees under the Code.

Nomination of Directors

The Board has established the nominating and corporate governance committee (the "NCGC") which is currently comprised of three directors, of whom two are independent. The members of the NCGC are Brent Billey (Chair), David Negrin and Norm Mayr.

Pursuant to the charter of the NCGC, its mandate is to assist the Company's directors in carrying out the Board's oversight responsibility for (i) ensuring that the Company's strategic direction is reviewed annually, and (ii) ensuring that the Board and each of its Committees carry out their respective functions in accordance with an appropriate process. The NCGC is responsible for overseeing and assessing the functioning of the Board, its Committees and individual directors, and for the development, recommendation to the Board, implementation and assessment of effective corporate governance principles. The NCGC is also responsible for identifying candidates for directorship and recommending that the Board select qualified director candidates for election to the Board. There is no formal assessment process. Rather, the NCGC is responsible for determining the appropriate assessment process.

The process by which the Board identifies new candidates for board nomination is set out in the NCGC Mandate.

Assessments

The NCGC is responsible for overseeing and assessing the functioning of the Board and the Committees. The NCGC must annually review and evaluate and make recommendations to the Board with regard to the size, composition and role of the Board and the Committees (including the type of committees to be established) and the methods and processes by which the Board, the Committees and individual directors fulfill their duties and responsibilities, including the methods and processes for evaluating the Board, the Committees and individual director effectiveness.

Compensation

The compensation committee of the Board (the “**Compensation Committee**”) makes recommendations to the Board in respect of: (1) compensation policies and guidelines; (2) management incentive and perquisite plans and any non-standard remuneration plans; (3) senior management, executive and officer compensation; and (4) Board compensation matters. In carrying out these responsibilities, the Compensation Committee will evaluate the performance of the Company’s CEO and all other senior executives in consideration of the respective performance goals and objectives for each such individual and recommend to the Board the amount of regular and incentive compensation to be paid to the Company’s CEO and all other senior executives; review and recommend to the Board the Company’s CEO’s performance evaluations and recommendations for compensation of our officers and key employees (other than our senior executives); review our compensation philosophy and make recommendations for changes, where appropriate; review and make recommendations to the Board with respect to incentive based compensation plans and equity based plans (including stock option plans); review and recommend to the Board the aggregate bonus pools to be made available under the Company’s incentive compensation plans for senior management, executives and officers; prepare or review the report on executive compensation and compensation discussion and analysis required to be included in the Company’s continuous disclosure documentation; and review and make periodic recommendations to the Board regarding the compensation of the Board.

See heading “*Director and Named Executive Officer Compensation – Oversight and Description of Director and Named Executive Officer Compensation.*”

Other Board Committees

The only other standing committee of the Board is the audit committee (“**Audit Committee**”), which is described in greater detail below. From time to time, special committees of the Board may be appointed to consider special issues, in particular, any issues that may involve related party transactions.

AUDIT COMMITTEE DISCLOSURE

NI 52-110 requires the Company to disclose annually in its management information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

Audit Committee Mandate

Pursuant to NI 52-110, the Audit Committee is required to have a charter that sets out its mandate. A copy of the Audit Committee charter is attached as Schedule “A” to this Information Circular.

Composition of the Audit Committee

As at the date of this Information Circular, the following is information on the current members of the Audit Committee:

Name	Independent	Financially Literate
Norm Mayr, Chair	Yes	Yes
Jacqueline Tucker	Yes	Yes
Dr. Anthony Holler	Yes	Yes

Relevant Education and Experience

All of the current members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised

by the Company's financial statements. The following describes the relevant education and experience of the current members of the Audit Committee:

Norm Mayr, Audit Committee Chair

Mr. Norm Mayr is a chartered professional accountant (FCPA, FCA) and a retired (October 2016) Audit Partner having spent 38 years in public practice with KPMG. He was the Risk Management and Business Unit Professional Practice Partner for the Greater Vancouver Area practice of KPMG for the most recent 18 years of his career. In this role, Norm was responsible for managing risk in the audit practice, and regularly consulted with engagement teams dealing with complex financial reporting, accounting, audit and securities issues in their clients. During his career, Norm has had extensive experience in the mining, forestry, technology, real estate, retail and industrial markets sectors. Norm has lectured extensively on financial reporting matters. He was a founding member of the CICA Accounting Standards Board, and a member of the Canadian Advisory Group to the International Accounting Standards Committee. He recently completed a 10-year term as Chair of the Investigation Committee for the Chartered Professional Accountants of British Columbia, a committee charged with the responsibility of investigating alleged misconduct by its members.

Mr. Mayr FCPA, FCA holds a master's degree in business administration from the University of British Columbia. It is expected that Mr. Mayr will devote 10% of his time to the business of the Company to effectively fulfill his duties as a director of the Company and member of the Audit Committee.

Jacqueline Tucker

Jacqueline Tucker is a chartered professional accountant with over 30 years of experience in providing professional services to a number of public companies. She has also served as director on numerous boards of public companies. Ms. Tucker is the Chief Financial Officer of EAM. EAM is listed on the TSXV. Ms. Tucker is the Chief Financial Officer of TGX from February 2010 to July 2015 and from July 2017 to the present. TGX is listed on the TSXV. Ms. Tucker is the Chief Financial Officer of ASEP. ASEP is listed on the CSE.

Ms. Tucker holds an undergraduate degree from Western University. It is expected that Ms. Tucker will devote 10% of her time to the business of the Company to effectively fulfill her duties as a director of the Company and member of the Audit Committee.

Dr. Anthony Holler

Dr. Anthony Holler serves as the Chairman of the Board of Directors for Sunniva Inc. Previously, Dr. Holler was Chairman of the Board of Directors for Perimeter Medical Imaging AI, Inc. and Chairman of the Board of Directors of CRH from December 2005 to March 2020. Prior to joining CRH, Dr. Holler was one of the founders of ID Biomedical Corporation. He held a number of executive positions with ID Biomedical, including Chief Executive Officer until the company was acquired by GSK plc (formerly GlaxoSmithKline plc) in December 2005 for \$1.7 billion. Dr. Holler was also Chairman of Corriente Resources Inc., which sold for approximately \$700 million to CRCC-Tongguan Investment Co. in 2010.

Before his involvement in public markets, Dr. Holler served as an Emergency Physician at University Hospital at the University of British Columbia. He holds a Bachelor of Science Degree and a Medical Degree from the University of British Columbia. His expertise includes strategic planning, mergers and acquisitions, and financing, with a singular focus on increasing shareholder value. It is expected that Dr. Holler will devote 10% of his time to the business of the Company to effectively fulfill his duties as a director of the Company and member of the Audit Committee.

Audit Committee Oversight

At no time since January 1, 2023 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since January 1, 2023 has the Company relied on the exemptions in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the*

Venture Issuer), subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110 by a securities regulatory authority or regulator.

Pre-Approval Policies and Procedures for Non-Audit Services

The Audit Committee is responsible for reviewing and pre-approving any non-audit services provided by the Company’s external 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 provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external 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 Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee.

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

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company’s auditor in the last two financial years for services in each of the categories indicated are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2023	\$135,534	Nil	\$14,124	Nil
December 31, 2022	\$108,167	Nil	Nil	Nil

(1) Fees for audit services.

(2) Fees for assurance and related services not included in audit services above.

(3) Fees for tax compliance, tax advice and tax planning.

(4) All other fees not included above.

Venture Issuers Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 which exempts “venture issuers” from the requirements of Part 5 (*Reporting Obligations*) of NI 52-110.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and Named Executive Officer Compensation Excluding Compensation Securities

Named Executive Officers

The following persons are the Company’s named executive officers (the “**Named Executive Officers**” or “**NEOs**”):

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

During the Company’s financial year ended December 31, 2023, the Named Executive Officers of the Company were Brent Billey (CEO) and David Negus (CFO).

Table of Compensation Excluding Compensation Securities

The following table sets out, for each of the Company’s financial years ended December 31, 2023 and 2022, compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each individual who was an NEO or a director of the Company, in any capacity, during such periods:

Name and Position	Year	Salary, Consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of Perquisites	All other compensation	Total compensation
Brent Billey ⁽¹⁾ <i>President, CEO and Director</i>	2023	\$360,000	\$250,000	-	-	-	\$610,000
	2022	\$360,000	\$250,000	-	-	-	\$610,000
David Negus ⁽²⁾ <i>CFO and Corporate Secretary</i>	2023	\$252,000	\$250,000	-	-	-	\$502,000
	2022	\$252,000	\$300,000	-	-	-	\$552,000
Jacqueline Tucker ⁽³⁾ <i>Director</i>	2023	-	-	\$43,000	-	-	\$43,000
	2022	-	-	\$41,000	-	-	\$41,000
David Negrin ⁽⁴⁾ <i>Director</i>	2023	-	-	\$42,000	-	\$80,000 ⁽⁵⁾	\$122,000
	2022	-	-	\$40,000	-	-	\$40,000
Norm Mayr ⁽⁶⁾ <i>Director</i>	2023	-	-	\$59,000	-	-	\$59,000
	2022	-	-	\$53,000	-	-	\$53,000
Dr. Anthony Holler ⁽⁷⁾ <i>Director</i>	2023	-	-	\$59,000	-	-	\$59,000
	2022	-	-	\$40,110	-	-	\$40,110

(1) Brent Billey was appointed as President, CEO and a director on July 2, 2019.

- (2) David Negus was appointed as CFO and Corporate Secretary on December 16, 2019.
- (3) Jacqueline Tucker was appointed as a director on July 2, 2019 and has determined not to stand for re-election at the Meeting.
- (4) David Negrin was appointed as a director on December 16, 2019.
- (5) Certain payments were made to an entity controlled by David Negrin for other ongoing services to the Company.
- (6) Norm Mayr was appointed as a director on February 6, 2020.
- (7) Dr. Anthony Holler was appointed as a director on November 22, 2021.

External Management Companies

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

Stock Options and Other Compensation Securities

The following tables disclose all compensation securities granted or issued to each individual who was an NEO or a director of the Company or one of its subsidiaries during the financial year ended December 31, 2023 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Name and position	Type of 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
Brent Billey ⁽¹⁾ <i>President, CEO and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Negus ⁽²⁾ <i>CFO and Corporate Secretary</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jacqueline Tucker ⁽³⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Negrin ⁽⁴⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Norm Mayr ⁽⁵⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Anthony Holler ⁽⁶⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) In the Company's most recently completed financial year, no compensation securities were granted to Brent Billey for services provided or to be provided. As of December 31, 2023, Brent Billey holds 1,300,000 Options that are exchangeable into 1,300,000 Common Shares.
- (2) In the Company's most recently completed financial year, no compensation securities were granted to David Negus for services provided or to be provided. As of December 31, 2023, David Negus holds 1,350,000 Options that are exchangeable into 1,350,000 Common Shares.
- (3) In the Company's most recently completed financial year, no compensation securities were granted to Jacqueline Tucker for services provided or to be provided. As of December 31, 2023, Jacqueline Tucker holds 250,000 Options that are exchangeable into 250,000 Common Shares.
- (4) In the Company's most recently completed financial year, no compensation securities were granted to David Negrin for services provided or to be provided. As of December 31, 2023, David Negrin holds 250,000 Options that are exchangeable into 250,000 Common Shares.

- (5) In the Company's most recently completed financial year, no compensation securities were granted to Norm Mayr for services provided or to be provided. As of December 31, 2023, Norm Mayr holds 250,000 Options that are exchangeable into 250,000 Common Shares.
- (6) In the Company's most recently completed financial year, no compensation securities were granted to Dr. Anthony Holler for services provided or to be provided. As of December 31, 2023, Dr. Anthony Holler holds 350,000 Options that are exchangeable into 350,000 Common Shares.

Exercise of Compensation Securities by Directors and NEOs

In the Company's most recently completed financial year, there were no compensation securities exercised by a director or NEO.

Stock Option Plan

For the particulars of the Company's Stock Option Plan (as defined below), please refer to the heading "*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*" below.

Employment, Consulting and Management Agreements or Arrangements

The following are material terms of employment, consulting or management agreements or arrangements under which compensation was provided during the year ended December 31, 2023 or is payable in respect of services provided to the Company or any of its affiliates or subsidiaries that were performed by the NEOs or directors of the Company.

Mr. Brent Billey, President and CEO

Mr. Brent Billey entered into an executive employment agreement with the Company, pursuant to which Mr. Billey is employed as President and CEO of the Company, continuing employment on the terms and conditions of the executive employment agreement. In consideration of Mr. Billey's services, the Company has agreed to pay Mr. Billey an annual base salary of \$360,000, with services rendered prior to February 1, 2020 to be fully compensated by the grant of Options. In addition, Mr. Billey is entitled to receive annual short-term incentive cash bonuses at the discretion of the Board upon meeting certain milestones, set by the Board in consultation with Mr. Billey. Mr. Billey is further entitled to participate in all equity-related plans maintained by the Company for executive level employees. Finally, Mr. Billey is eligible for the Company's long-term incentive plan, with grants of Options at the sole discretion of the Board and governed by the terms and conditions of the Stock Option Plan.

If Mr. Billey's employment is terminated by the Company without cause or for good reason during the twelve month period following a change of control, the Company shall pay the following amounts: (a) if not already paid, the employee's base salary and accrued vacation; (b) an amount equivalent to twelve months' base salary (\$363,000); (c) all employee benefits received by Mr. Billey from the Company shall continue for period of one year from the effective date of termination, subject to the terms of the applicable benefit plans, and in the event that any such benefits cannot be continued by the Company, the Company shall reimburse Mr. Billey for one year of comparable replacement coverage obtained by Mr. Billey; (d) an amount equivalent to the target short-term incentive plan for the year in which Mr. Billey's employment is terminated, or if no short-term incentive plan target has been established for that year, an amount equal to the average short-term incentive plan payment paid to Mr. Billey over the preceding two years (or if two years have not elapsed, the preceding year); and (e) all unvested Options shall vest upon the effective date of termination and my unexercised portion of such Options will be exercisable by Mr. Billey in accordance with the terms of the applicable plan.

Mr. David Negus, CFO and Corporate Secretary

Mr. Negus entered into an executive employment agreement (the "**CFO Executive Employment Agreement**") with the Company, pursuant to which Mr. Negus is employed as CFO and Corporate Secretary of the Company, commencing on February 10, 2021 until terminated in accordance with the terms of the CFO Executive Employment Agreement. In consideration for Mr. Negus' services, the Company has agreed to pay Mr. Negus an annual base salary of \$252,000. In addition, Mr. Negus is entitled to receive annual short-term incentive cash bonuses at the discretion of the Board upon meeting certain milestones, set by the Board in consultation with Mr. Negus. Finally, Mr. Negus is eligible for the Company's long-term incentive plan, including for an initial grant of 150,000 Options, with further grants of Options at the sole discretion of the CEO and the approval of the Board and governed by the terms and conditions of the Stock Option Plan.

If Mr. Negus' employment is terminated by the Company for cause, no notice, salary, compensation, benefits, allowances or pay in lieu of notice shall be paid or payable to Mr. Negus after or as a result of such termination other than the base salary to the effective date of such termination. If Mr. Negus' employment is terminated without cause, the Company shall provide: (a) as a lump sum payment at the time of termination (i) if not already paid, the amount of Mr. Negus' accrued and unpaid base salary and vacation pay for the period up to and including the effective date of termination and (b) an amount equal to (A) six months of base salary (\$126,000) at that time if the date of termination is on or prior to the one year anniversary of the date first set out above or an amount equal to twelve months of base salary (\$252,000) at any time if the date of termination is after the one year anniversary of the date first set out above.

If Mr. Negus' employment is terminated by the Company without cause or for good reason during the twelve month period following a change of control, the Company shall pay the following amounts: (a) if not already paid, the amount of Mr. Negus' base salary and accrued vacation; (b) an amount equal to six months' base salary; (c) all employee benefits received by Mr. Negus from the Company shall continue for a period of one year from the effective date of termination, subject to the terms of the applicable benefit plans; and (d) an amount equivalent to the target short-term incentive plan for the year in which Mr. Negus' employment is terminated, or if no short-term incentive plan target has been established for that year, an amount equal to the average short-term incentive plan payment paid to Mr. Negus over the preceding two years (or if two years have not elapsed, the preceding year).

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Committee

As of the date of this Information Circular, the Compensation Committee is comprised of David Negrin (Chair), Dr. Anthony Holler and Norm Mayr. Dr. Anthony Holler, Norm Mayr and David Negrin are all considered "independent" pursuant to NI 52-110.

The Compensation Committee meets as many times as required to carry out its duties and responsibilities and provides input to the Board on human resources matters at least annually. Each current member of the Compensation Committee has business and other experience which is relevant to their position as a member of the Compensation Committee. By virtue of their differing professional backgrounds, business experience, knowledge of the Company's industry, knowledge of corporate governance practices and, where appropriate, service on compensation committees of other reporting issuers and experience interacting with external consultants and advisors, the current members of the Compensation Committee are able to make decisions on the suitability of the Company's compensation policies and practices. See "*Election of Directors – Directors Biographies*" for a description of each Compensation Committee member's experience and education.

Pursuant to the charter of the Compensation Committee, its mandate is to assist the Company's directors in carrying out the Board's oversight responsibility for (i) overseeing the Company's human resources and compensation policies and processes, and (ii) demonstrating to the Shareholders that the compensation of the directors who are also employees of the Company is recommended by directors who have no personal interest in the outcome of decisions of the Compensation Committee and who will have due regard to the interests of all of the Shareholders.

The primary responsibilities of the Compensation Committee with respect to compensation are to make recommendations to the Board in respect of: (1) compensation policies and guidelines; (2) management incentive and perquisite plans and any non-standard remuneration plans; (3) senior management, executive and officer compensation; and (4) Board compensation matters. In carrying out these responsibilities, the Compensation Committee will evaluate the performance of the Company's CEO and all other senior executives in consideration of the respective performance goals and objectives for each such individual and recommend to the Board the amount of regular and incentive compensation to be paid to the Company's CEO and all other senior executives; review and recommend to the Board the Company's CEO's performance evaluations and recommendations for compensation of its officers and key employees (other than our senior executives); review its compensation philosophy and make recommendations for changes, where appropriate; review and make recommendations to the Board with respect to incentive based compensation plans and equity based plans (including stock option plans); review and recommend to the Board the aggregate bonus pools to be made available under the Company's incentive compensation plans for senior management, executives and officers; prepare or review the report on executive compensation and compensation discussion and analysis required to be included in the Company's continuous disclosure documentation; and review and make periodic recommendations to the Board regarding the compensation of the Board.

The Company's compensation practices are designed to retain, motivate and reward our executive officers for their performance and contribution to the Company's long-term success. The Board seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with the Company's performance. The Company seeks to tie individual goals to the area of the senior executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. Company performance goals are based on the Company's financial performance during the applicable financial year.

In order to achieve the Company's growth objectives, attracting and retaining the right team members is critical. A key part of this is a well-thought out compensation plan that attracts high performers and compensates them for continued achievements. Many of the Company's team members are currently participating in the Stock Option Plan, driving retention and ownership. Communicating clear and concrete criteria and process for merit-based increases and bonuses will also motivate the entire team to achieve individual and corporate goals.

Director Compensation

Each non-executive director of the Company receives an annual fee of \$25,000. In addition to the annual fee, each non-executive director receives an additional \$2,000 in respect of each Board quarterly meeting attended in person or by telephone and an additional \$2,000 per meeting in respect of each Committee meeting attended in person or by telephone. Board and Committee chairs are also compensated with the following annual fees:

1. Board Chair – \$10,000
2. Audit Committee Chair - \$10,000
3. Compensation Committee Chair – \$5,000
4. Nominating and Corporate Governance Committee Chair - \$5,000

All directors are reimbursed for their respective out of pocket expenses in relation to their attendance at Board meetings and Committee meetings. Director compensation matters are dealt with by the Compensation Committee.

Compensation Risk

In making its compensation-related decisions, the Compensation Committee and the Board carefully consider the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to the Company's operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by the Company are:

- (a) that the Company will be forced to raise additional funding (causing dilution to shareholders) in order to attract and retain the calibre of executive employees that it seeks; and
- (b) that the Company will have insufficient funding to achieve its objectives.

Financial Instruments

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information on the Company's equity compensation plans under which Common Shares are authorized for issuance as at December 31, 2023.

Equity Compensation Plan Information as of December 31, 2023

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 plan approved by securityholders — Stock Option Plan	4,288,000	\$1.14	404,825 ⁽¹⁾
Equity compensation plans not approved by securityholders	-	-	-
Total	4,288,000	\$1.14	404,825

(1) Based on 46,928,247 Common Shares issued and outstanding as at December 31, 2023. The maximum aggregate number of Common Shares that may be reserved for issuance under the Stock Option Plan is equal to 10% of the issued and outstanding Common Shares at the time of the Option grant.

Stock Option Plan

On December 31, 2019, the Board adopted a stock option plan, which was last approved by the Shareholders on June 22, 2023.

On June 7, 2024, the Board approved an amended and restated the stock option plan (as amended and restated, the "**Stock Option Plan**") to comply with Policy 4.4 – *Securities Based Compensation* ("**Policy 4.4**") of the TSX Venture Exchange (the "**TSXV**"), including the following principal amendments:

- (a) clarifying that the Company cannot reduce the exercise price for any Options granted to Insiders (as defined in the Stock Option Plan) without first obtaining Disinterested Shareholder Approval (as defined in the Stock Option Plan);
- (b) clarifying that Options granted under the Stock Option Plan shall expire in accordance with the provisions thereof, but in any event, within a reasonable period not exceeding 12 months following the date that a holder of Options (an "**Option Holder**") ceases to be an eligible participant under the Stock Option Plan; and
- (c) clarifying that the exercise price for any Options must be no lower than the closing trading price of the Common Shares on the TSXV, or such alternative organized trading facility designated by the Board upon which the Common Shares are traded, on the last trading day immediately preceding the grant date during which sales of the Common Shares were reported.

As of June 7, 2024, the Company has 4,288,000 Options outstanding under the Stock Option Plan, representing 9.1% of the issued and outstanding Common Shares.

The following summary is qualified in its entirety by reference to the full text of the Stock Option Plan, a copy of which is attached as Schedule "B" hereto and is available on SEDAR+ at www.sedarplus.ca.

Summary of the Stock Option Plan

The purpose of the Stock Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward those individuals from time to time for their contributions toward the long term goals of the Company and to enable and encourage those individuals to acquire Common Shares as long term investments. The general terms and conditions of the Stock Option Plan are reflected in the disclosure below.

The Stock Option Plan is administered by the Chief Financial Officer of the Company (the “**Administrator**”) on the instructions of the Board. The Board may delegate to the Administrator or any director, officer or employee of the Company such administrative duties and powers as it may see fit.

The eligible participants are any director, officer, employee or consultant of the Company (including any subsidiary of the Company), as the Board may determine.

Each Option entitles the Option Holder thereof to purchase one Common Share at an exercise price set at the time of the grant.

Subject to certain limitations, the number of Common Shares that will be available for directors, officers, employees and consultants to acquire pursuant to an Options granted under the Stock Option Plan will not at any time exceed 10% of the Company’s then outstanding Common Shares.

If, and for so long as, the Common Shares are listed on the TSXV, the number of Common Shares which may be issuable under the Stock Option Plan and all of the Company’s other previously established or proposed share compensation arrangements (a) shall not exceed 10% of the total number of the issued and outstanding Common Shares; (b) to any one Option Holder within a 12 month period shall not exceed 5% of the total number of the issued and outstanding Common Shares; and (c) within a one-year period (i) to any one person, shall be no more than 5% of the total number of issued and outstanding Common Shares, with the exception of a consultant who may not receive grants of more than 2% of the total number of issued and outstanding Common Shares; and (ii) to persons employed to conduct Investor Relations Activities (as defined in the Stock Option Plan), shall be no more than an aggregate of 2% of the total number of issued and outstanding Common Shares at any one time.

The exercise price of an Option will be determined by the Board at the time of the grant but will be no lower than the market value of the Common Shares as of the award date. If the Common Shares are listed on the TSXV or one or more alternative organized trading facilities, the market value will be determined by a resolution of the Board and must be no lower than the closing price of the Common Shares on the TSXV or such other alternative organized trading facilities on the last trading day immediately preceding the award date during which sales of the Common Shares were reported (or if there is more than one such organized trading facility the Board shall determine the appropriate organized trading facility). If the Common Shares are not listed on any organized trading facility, the market value will be determined by the Board, subject to the necessary approvals of the applicable regulatory authorities.

The vesting and exercise period of an Option will be determined by the Board at the time of grant; however, the exercise period of an Option shall not be greater than ten years from the award date.

Subject to certain limitations, in the event that an Option Holder’s position as a director, officer, employee or consultant is terminated for any reason other than long term disability, death or for cause, the Options held by such Option Holder may be exercised within 90 days of termination, provided such Options have vested and not expired.

Subject to certain limitations, in the event that an Option Holder’s position as a director, officer, employee or consultant is terminated as a result of his or her long term disability, any Options held by such Option Holder that could have been exercised immediately prior to such termination of service shall be exercisable by such Option Holder, or by his or her guardian, for a period of one year following the termination of service of such Option Holder.

Subject to certain limitations, in the event that an Option Holder’s position as a director, officer, employee or consultant is terminated as a result of death, any Options held by such Option Holder shall pass to the Qualified Successor (as defined in the Stock Option Plan) of such Option Holder, and shall be exercisable by the Qualified Successor for a period of one year following the death.

In the event that an Option Holder's employment is terminated for cause, the Options held by such Option Holder shall expire and terminate on the date of such termination for cause.

Unless otherwise determined by the Board, Options granted under the Stock Option Plan generally vest in 36 equal tranches on each of the subsequent one-month anniversaries of the grant date until all such Options have vested, provided that Options granted to persons engaged in Investor Relations Activities must vest in stages over twelve months such that no more than 25% of Options vest in each of the three, six, nine and twelve-month periods following the date of grant. The Options expire on the date which is ten years after the grant date (the "**Expiry Date**"). Notwithstanding the foregoing, any Options granted under the Stock Option Plan shall expire in accordance with the provisions of the Stock Option Plan, but in any event, within a reasonable period not exceeding 12 months following the date the Option Holder ceases to be an eligible participant thereunder.

The Stock Option Plan provides that if the Options would otherwise expire within a trading blackout period imposed by the Company (the "**Blackout Period**"), the Expiry Date of such Option shall automatically be extended (the "**Extension Period**"); provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten trading days following the end of the last imposed Blackout Period. Options granted under the Stock Option Plan are not transferable, subject to limited exceptions. The Board has overall authority for interpreting, applying, amending and terminating the Stock Option Plan.

For executive officers, previous grants are taken into account when considering new grants to determine aggregate performance-based option grants in subsequent years. The Compensation Committee has awarded non-executive directors with an initial grant of 100,000 Options per non-executive director.

Subject to the prior acceptance of the TSXV and any other applicable Regulatory Authorities (as defined in the Stock Option Plan) and the requirements of the policy manual of the TSXV and any other applicable Regulatory Authority, the Board may terminate, suspend or amend the terms of the Stock Option Plan; provided, however, that, except as provided in section 5.1 of the Stock Option Plan, the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, approval by the affirmative votes of the holders of a majority of the voting securities of the Company present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable corporate laws, and, where required, by way of Disinterested Shareholder Approval:

- i. increase the maximum number of Common Shares that may be reserved under the Stock Option Plan for issuance pursuant the exercise of Options (other than pursuant to any limitations set out in the Stock Option Plan);
- ii. place limitations under the Stock Option Plan on the number of Options that may be granted to any one Person (as defined in the Stock Option Plan) or any category of Persons;
- iii. reduce the exercise price of Options;
- iv. grant to Insiders (as defined in the Stock Option Plan), within a 12 month period, an aggregate number of Options exceeding 10% of the Company's issued Common Shares, calculated at the date the Option is granted to the Insider;
- v. issue to any one Option Holder, within a 12 month period, a number of Common Shares exceeding 5% of the Company's Common Shares;
- vi. reserve for issuance Common Shares under the Stock Option Plan and all of the Company's other security based compensation arrangements in existence from time to time on and after the effective date of the Stock Option Plan, where such reservation could result in the aggregate number of Common Shares granted to Insiders exceeding 10% of the Company's issued Common Shares;
- vii. materially modify the requirements as to eligibility for participation in the Stock Option Plan;
- viii. materially increase the benefits accruing to participants under the Stock Option Plan;

- ix. modify the method for determining the exercise price of the Options;
- x. modify the maximum term of the Options;
- xi. modify the expiry and termination provisions applicable to Options;
- xii. expand the types of awards which may be granted under the Stock Option Plan;
- xiii. extend the duration of the Stock Option Plan; or
- xiv. modify the powers granted to the Board by the Stock Option Plan to terminate or amend the Stock Option Plan.

However, the Board may, without shareholder approval:

- i. make any amendment of a typographical, grammatical, clerical or administrative nature or clarification correcting or rectifying any ambiguity, immaterial inconsistency, defective provision, mistake, or error or omission in the Stock Option Plan or any Option;
- ii. make any addition to, deletion from or alteration of the provisions of the Stock Option Plan or any Option that are necessary to comply with applicable law or the requirements of any regulatory or governmental agency or applicable stock exchange and to avoid unanticipated consequences deemed by the Board to be inconsistent with the purpose of the Stock Option Plan; or
- iii. make any amendments to clarify existing provisions of the Stock Option Plan or any Option provided that such changes do not have the effect of altering the scope, nature and intent of the Stock Option Plan or any Option.

No Option may be granted during any suspension, or after termination, of the Stock Option Plan. Amendment, suspension or termination of the Stock Option Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

Except as specifically provided in an option certificate approved by the Board, Options granted under the Stock Option Plan are generally not assignable or transferable.

Subject to section 8.3 of the Stock Option Plan, the Board may, from time to time and in accordance with any third party obligations of the Company, amend the Stock Option Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Stock Option Plan, any Option or the Common Shares, or for any other purpose which may be permitted by all relevant laws, regulations, rules and policies provided always that any such amendment will not impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, and during the Company's financial year ended December 31, 2023, no director or executive officer of the Company, no proposed nominee for election as a director of the Company, no associate of any such director, executive officer or proposed nominee (including companies controlled by them), no employee of the Company or any of its subsidiaries, and no former executive officer, director or employee of the Company or any of its subsidiaries, is indebted to the Company or any of its subsidiaries (other than for "routine indebtedness" as defined under applicable securities legislation) or is indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries or affiliates.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as noted below, no informed person, as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*, of the Company, no proposed director of the Company, and no associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction since January 1, 2023 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

On April 25, 2024, the Company announced that it entered into an amended and restated loan agreement (the “**Restated Loan Agreement**”) with the Zhang Family (2015) Trust (the “**Lender**”), which became effective as of May 1, 2024 and amended and restated the term loan (the “**Loan**”) previously provided by the Lender to the Company by way of an unsecured, non-revolving credit facility (the “**Facility**”). Pursuant to the terms of the Restated Loan Agreement, among other changes disclosed in the Company’s news release dated April 25, 2024, the aggregate amount of the Facility has increased from \$10,000,000 to \$10,973,540 (which includes \$973,540 of accrued interest) and the maturity date of the Loan has been extended to May 1, 2028. The Lender is affiliated with a significant Shareholder.

FINANCIAL STATEMENTS

The audited financial statements for the year ended December 31, 2023, the report of the auditor, together with the management’s discussion and analysis can be found on www.sedarplus.ca.

APPOINTMENT OF AUDITOR

Shareholders will be asked to approve the appointment of KPMG LLP (“**KPMG**”) as the Company’s auditor to hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the directors. KPMG was first appointed as the Company’s auditor on November 2, 2022.

The persons named in the enclosed form of proxy intend to vote for the appointment of KPMG as the auditor of the Company to hold office until the next annual general meeting of the Shareholders or until a successor is appointed, at remuneration to be fixed by the directors.

APPROVAL OF STOCK OPTION PLAN

In accordance with TSXV Policy 4.4, all issuers are required to adopt a stock option plan pursuant to which stock options may be granted. As set out under the heading “*Securities Authorized for Issuance Under Equity Compensation Plans*”, the Company currently has the Stock Option Plan that was first adopted on December 31, 2019 and was most recently approved by the Shareholders on June 23, 2023. The Stock Option Plan was most recently amended and restated by the Board on June 7, 2024. The Stock Option Plan complies with the requirements of TSXV Policy 4.4. The Stock Option Plan provides for the issuance of Options to acquire up to 10% of the Company’s issued and outstanding Common Shares as at the date of grant. This is a “rolling” Stock Option Plan as the number of Common Shares reserved for issuance pursuant to the grant of Options will increase as the Company’s issued and outstanding share capital increases.

TSXV Policy 4.4 requires that the Stock Option Plan be approved and confirmed by the Shareholders annually at the Company’s annual general meeting. Continuation of the Stock Option Plan will be subject to the approval of the Shareholders and review and acceptance by the TSXV. For the principal features of the Stock Option Plan, see the heading “*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*”.

A copy of the Stock Option Plan is attached hereto as Schedule “B” and will be available at the Meeting for review by the Shareholders.

Accordingly, the Shareholders will be requested at the Meeting to pass an ordinary resolution in the following terms:

“**RESOLVED** that:

1. the Company’s amended and restated stock option plan (the “**Stock Option Plan**”), as described in the Information Circular of the Company dated June 7, 2024, be and is hereby ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange;

2. the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan, entitling the option holders to purchase up to that number of common shares in the capital of the Company (“**Common Shares**”) that is equal to 10% of the issued and outstanding Common Shares at the time of the grant; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in their opinion may be necessary or desirable to give effect to the foregoing resolutions and to complete all transactions in connection with the continuation of the Stock Option Plan.”

The Board has determined that the approval of the Stock Option Plan is in the best interests of the Company and its Shareholders. The Board unanimously recommends that Shareholders vote in favour of the resolution approving the Stock Option Plan. The persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolutions at the Meeting unless otherwise directed by the Shareholders appointing them.

MANAGEMENT CONTRACTS

No management functions of the Company are to any substantial degree performed by a person other than the directors or executive officers of the Company directly or through their respective management consulting companies.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. Financial information relating to the Company is provided in the Company’s comparative financial statements and management’s discussion and analysis for its financial year ended December 31, 2023 which are available on SEDAR+ and may also be obtained by sending a written request to the CFO of the Company at the Company’s head office located at 1133 Melville Street, Suite 3500, The Stack, Vancouver, British Columbia V6E 4E5 .

DATED at Vancouver, British Columbia this 7th day of June, 2024.

BY ORDER OF THE BOARD

(signed) “*Anthony Holler*”

Dr. Anthony Holler
Chair of the Board of Directors

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Please see attached.

KADESTONE CAPITAL CORP.

**AUDIT COMMITTEE CHARTER
AS AT NOVEMBER, 2020**

KADESTONE CAPITAL CORP.
(the "Company")

AUDIT COMMITTEE CHARTER
(As at November, 2020)

MANDATE

The primary function of the Audit Committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") 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, the Company's auditing, accounting and financial reporting processes, and the Company's process for monitoring compliance with laws and regulations. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. 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 in accordance with International Financial Reporting Standards ("**IFRS**");
- have direct authority to discharge the Board's responsibilities in relation to the selection, appointment, oversight, direction, evaluation, remuneration and, where appropriate, the replacement or removal of the external auditor; and
- provide an open avenue of communication among the Company's auditor, financial and senior management and the Board.

In carrying out its duties under this Charter, the Committee will have the authority to: (i) if necessary, institute special investigations, (ii) engage independent counsel, accountants or other advisors, as it considers necessary, to carry out its duties, (iii) set and pay the compensation for any advisors employed by Committee, and (iv) to communicate directly with the internal and external auditor of the Company.

COMPOSITION

The Committee will be comprised of a minimum of three directors as determined by the Board, the majority of whom will be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. A majority of the members of the Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company.

At least one member of the Committee must have accounting or related financial management expertise. All members of the Committee that 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 the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee will be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board, the members of the Committee

may designate a Chair by a majority vote of the full Committee membership. Members of the Committee may be removed by the Board, at any time, in its discretion.

MEETINGS

The Committee will meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Company's Chief Financial Officer (the "**CFO**") and the external auditor in separate sessions. The quorum for a meeting of the Committee will be a majority of the members who are not executive officers, employees or control persons of the Company or of an affiliate of the Company. The Committee may invite such other persons (e.g. the Chief Executive Officer or CFO) to its meetings, as it deems appropriate. The proceedings of all meetings will be minuted. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee will:

1. Documents/Reports Review

- a. Review this Charter annually and recommend any proposed changes to the Board.
- b. Review the Company's annual audited financial statements, related management's discussion and analysis, and any annual profit or loss press release prior to public dissemination and filing with any regulatory authority or governmental body, including any certification, report, opinion, or review rendered by the external auditor, and determine whether they are complete and consistent with the information known to the Committee.
- c. Review and approve the Company's unaudited interim financial statements, related management's discussion and analysis, and any interim profit or loss press releases prior to public dissemination and filing with any regulatory authority or governmental body, including any certification, report, opinion, or review rendered by the external auditor, and determine whether they are complete and consistent with the information known to the Committee.
- d. Evaluate the fairness of the financial statements and disclosures, and obtain explanations from management on whether:
 - (a) actual financial results for the annual or interim period varied significantly from budgeted or projected results;
 - (b) IFRS has been consistently applied;
 - (c) there are any actual or proposed changes in accounting or financial reporting practices; and
 - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

2. **External Auditor**

- a. Subject to confirmation by the external auditor of its compliance with Canadian and other regulatory requirements applicable to the external auditor, recommend to the Board the appointment of the external auditor for the purpose of preparing or issuing any audit report or performing other audit, review or attest services for the Company.
- b. Review annually, the performance of the external auditor who will report directly to the Audit Committee and be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- c. Obtain annually, a formal written statement of the external auditor setting forth all relationships between the external auditor and the Company, consistent with Independence Standards Board Standard 1.
- d. Review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor.
- e. Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditor.
- f. Recommend to the Board, where applicable, the replacement of the external auditor nominated annually for shareholder approval.
- g. At each meeting, consult with the external auditor, without the presence of management, about the quality and appropriateness of the Company's accounting principles and internal controls, and the completeness and accuracy of the Company's financial statements in accordance with IFRS.
- h. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
- i. Receive and review annually the external auditor's report on management's evaluation of internal controls and procedures for financial reporting.
- j. Review with management and the external auditor the audit plan for the year-end financial statements and intended template for such statements.
- k. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external 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 provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external 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 by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

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

3. Financial Reporting Processes

- a. In consultation with the external auditor, review with management the quality, integrity and adequacy of the Company's financial reporting process, both internal and external.
- b. Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- c. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management.
- d. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments.
- e. Following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- f. Review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements.
- g. Review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- h. Review certification process.
- i. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- j. Review any complaints or concerns regarding any questionable accounting, internal accounting controls, auditing matters, or financial reporting and disclosure.

4. Risk Management

- a. Review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).

- b. Inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
- c. Request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
- d. Assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

5. Other

- a. Review with management and the external auditor significant related party transactions and potential conflicts of interest.
- b. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.

SCHEDULE "B"

AMENDED AND RESTATED STOCK OPTION PLAN

Please see attached.

KADESTONE CAPITAL CORP.

AMENDED AND RESTATED STOCK OPTION PLAN

Effective December 31, 2019, as amended on June 7, 2024

**ARTICLE 1
PURPOSE**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Officers, Employees and Consultants, to reward such of those Directors, Officers, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Officers, Employees and Consultants to acquire Common Shares as long term investments (as such terms are defined below).

**ARTICLE 2
DEFINITIONS AND INTERPRETATION**

2.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the meanings set forth below:

- (a) “**Affiliate**” has the meaning ascribed to it in the policy manual of the TSXV.
- (b) “**Administrator**” means, initially, the Chief Financial Officer of the Company and thereafter will mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time.
- (c) “**Award Date**” means the date on which the Board awards a particular Option or such other effective award date determined by the Board.
- (d) “**Blackout Period**” means a Company imposed period of time preventing Officers, Directors, Consultants and Employees from exercising Options.
- (e) “**Board**” means the board of directors of the Company.
- (f) “**Cause**” means:
 - (i) Cause as such term is defined in the written employment agreement between the Company and the Option Holder; or
 - (ii) in the event there is no written employment agreement between the Company and the Option Holder or Cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Option Holder is employed.
- (g) “**Common Share**” or “**Common Shares**” means, as the case may be, one or more common shares in the capital of the Company.
- (h) “**Company**” means Kadestone Capital Corp., a company incorporated under the laws of British Columbia.

- (i) “**Consultant**” means an individual or Consultant Company, other than an employee, a director or an officer of the Company, that:
 - (i) is engaged to provide on a bona fide basis, consulting, technical, management or other services to the Company or an Affiliate, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Company or an Affiliate of the Company 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 to the affairs and business of the Company or an Affiliate; and
 - (iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company.
- (j) “**Consultant Company**” means a Consultant that is not an individual.
- (k) “**Director**” means a director of the Company or a director of one of the Company’s subsidiaries.
- (l) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity.
- (m) “**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by the Company’s shareholders at a duly constituted shareholders meeting, excluding votes attached to the Common Shares beneficially owned by Insiders to whom Options may be granted under the Plan and their associates and affiliates.
- (n) “**Employee**” means
 - (i) an individual who is considered an employee of the Company or its subsidiaries under the Income Tax Act (Canada);
 - (ii) an individual who works full-time for the Company or its subsidiaries 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;
 - (iii) an individual who works for the Company or its subsidiaries 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 are not made at source;
 - (i) a Management Company Employee.
- (o) “**Exercise Notice**” means the notice respecting the exercise of an Option, in the form set out as Schedule B hereto, duly executed by the Option Holder.

- (p) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date.
- (q) **“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with Section 4.6.
- (r) **“Expiry Date”** means the date determined in accordance with Section 4.5 and after which a particular Option cannot be exercised.
- (s) **“Guardian”** means the guardian, if any, appointed for an Option Holder.
- (t) **“Insider”** has the meaning ascribed to it in the policy manual of the TSXV.
- (u) **“Investor Relations Activities”** has the meaning ascribed to it in the policy manual of the TSXV.
- (v) **“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.
- (w) **“Market Value”** means the market value of the Common Shares as determined in accordance with section 4.6.
- (x) **“Officer”** means any individual who is serving as a duly appointed officer of the Company.
- (y) **“Option”** means an option to acquire Common Shares, awarded to a Director, Officer, Employee or Consultant under the Plan.
- (z) **“Option Certificate”** means the certificate, in the form set out as Schedule A hereto, evidencing an Option.
- (aa) **“Option Holder”** means a Director, Officer, Employee or Consultant, or former Director, Officer, Employee or Consultant, who holds an unexercised and unexpired Option.
- (bb) **“Person”** means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor, administrator, or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted.
- (cc) **“Plan”** means this stock option plan.
- (dd) **“Qualified Successor”** means a Person who is entitled to ownership of an Option upon the death of an Option Holder, pursuant to a will or the applicable laws of descent and distribution upon death.
- (ee) **“Regulatory Authorities”** or **“Regulatory Authority”** means all stock exchanges, inter-dealer quotation networks and other organized trading facilities on which the Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company.
- (ff) **“Share”** or **“Shares”** means, as the case may be, one or more Common Shares or shares of any other class in the share capital of the Company from time to time.

(gg) “**Termination Date**” means:

- (i) in the case of the resignation of the Option Holder’s employment or the termination of the Option Holder’s consulting or service contract by the Option Holder, the date that the Option Holder provides notice of such resignation or termination to the Company; or
- (ii) in the case of the termination of the Option Holder’s employment or consulting or service contract by the Company for any reason other than death or disability, the date that the Company delivers written notice of termination of the Option Holder’s employment or consulting or service contract to the Option Holder and, for greater certainty shall not include any period of contractual or common law notice following the date of written notice of termination; or
- (iii) in the case of the expiry of a fixed-term employment or consulting or service contract that is not renewed or extended, the last day of the term.

(hh) “**TSXV**” means the TSX Venture Exchange.

2.2 Choice of Law

The Plan is established under, and the provisions of the Plan will be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia.

2.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 3 PARTICIPATION

3.1 Participation

The Board may, from time to time and in its sole discretion determine those Directors, Officers, Employees and Consultants, if any, to whom Options are to be awarded.

3.2 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator will notify the Option Holder in writing of the award and will enclose with such notice the Option Certificate representing the Option so awarded.

3.3 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, will be provided with a copy of the Plan. A copy of any amendment to the Plan will be promptly provided by the Administrator to each Option Holder.

3.4 Limitation

The Plan does not give any Option Holder that is a Director or Officer the right to serve or continue to serve as a Director or Officer of the Company nor does it give any Option Holder that is an Employee the right to be or to continue to be employed with the Company, nor does it give any Option Holder that is a Consultant the right to have a consulting relationship with the Company or provide services to the Company.

ARTICLE 4
TERMS AND CONDITIONS OF OPTIONS

4.1 Board to Issue Common Shares

The Common Shares to be issued to Option Holders upon the exercise of Options will be authorized and unissued Common Shares, the issuance of which will have been authorized by the Board.

4.2 Number of Common Shares

Subject to the limits set out in section 4.3 and to adjustment as provided for in section 4.12 of the Plan, the number of Common Shares that will be available for Directors, Officers, Employees and Consultants to acquire pursuant to Options granted under the Plan, together with all Common Shares available for issuance under all of the Company's other share compensation arrangements, will not at any time exceed 10% of the Company's then outstanding Common Shares.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the Option was not exercised will again be available for the purposes of the Plan. In addition, if any Option is exercised, an equivalent number of Shares may be reserved for issuance pursuant to the grant of additional Options in replacement for such exercised Options.

4.3 Limits on Shares Issuable on Exercise of Options

If, and for so long as, the Common Shares are listed on the TSXV, the number of Shares which may be issuable under the Plan and all of the Company's other share compensation arrangements, within a one-year period:

- (a) to any one Person, shall be no more than 5% of the issued and outstanding share capital of the Company, with the exception of a Consultant who may not receive grants of more than 2% of the issued and outstanding share capital of the Company; and
- (b) to Persons employed to conduct Investor Relations Activities, shall be no more than an aggregate of 2% of the number of issued and outstanding Common Shares in the capital of the Company at any one time.

4.4 Option Details

Subject to the provisions of this Plan, the Board shall specify the following terms of the Option in the Option Certificate, which terms shall include the following:

- (a) the Award Date;
- (b) the number of Options granted;
- (c) the Exercise Price, provided that the Exercise Price shall not be less than the Market Value;
- (d) any vesting schedule contained in the Option Certificate upon which the exercise of an Option is contingent;
- (e) subject to Section 4.8, the term of the Option, provided that the Exercise Period shall in no event be greater than ten (10) years following the Award Date; however, if the Exercise Period is terminated during a Blackout Period, the Exercise Period shall be extended to the date that is ten (10) business days following the end of such Blackout Period (the "**Extension Period**");

- (f) if the Option Holder in respect of an Option grant is an Employee, Consultant or Management Company Employee, a certification by the Company and the Option Holder that the Option Holder is a bona fide Employee, Consultant or Management Company Employee; and
- (g) such other terms and conditions as the Board deems advisable and are consistent with the purposes of this Plan.

An Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period will terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date. Notwithstanding the foregoing, any Options granted hereunder shall expire in accordance with the provisions of this Plan, but in any event, within a reasonable period not exceeding 12 months following the date the Option Holder ceases to be a Director, Officer, Employee, Consultant or Management Company Employee of the Company.

4.5 Termination

To the extent not earlier exercised or terminated in accordance with Section 4.8 hereof, the Expiry Date of an Option will be the earlier of the following dates:

(a) Termination Date

The termination date specified for such Option in the Option Certificate; provided that, if the termination date occurs during a Blackout Period, such termination date shall be extended to the date that is ten (10) business days following the end of such Blackout Period.

(b) Without Cause Termination

Unless determined otherwise by the Board, where the Option Holder's position as a Director, Officer, Employee, or Consultant of the Company or any Affiliate terminates for a reason other than the Option Holder's Disability, death, or termination for Cause, (i) on the Termination Date with respect to Options that have not vested as at such Termination Date, and (ii) 90 days after the Termination Date with respect to Options that have vested as at such Termination Date, provided that if an Option Holder's position with the Company changes from one of the said categories to another category, such change shall not constitute termination for the purpose of this Section 4.5.

(c) For Cause Termination

Where the Option Holder's position as an Employee, Consultant, Director or Officer of the Company or any Affiliate is terminated for Cause, the date of such termination for Cause.

Notwithstanding anything else contained in the Plan and subject to any necessary approval from the Company's shareholders and the Regulatory Authorities, the Board may in its discretion (a) extend the Expiry Date of any Option, *provided* that in no case will an Option be exercisable later than the tenth anniversary of the Award Date of the Option, and *provided further* that the Board may not extend the Exercise Period of any Option, if the holder of such Option is an Insider at the time of the proposed extension to the Exercise Period, without first obtaining Disinterested Shareholder Approval; (b) reduce the Exercise Price of any Option, *provided* that the Board may not reduce the Exercise Price of any Option, if the holder of such Option is an Insider at the time of the proposed reduction of the Exercise Price, without first obtaining Disinterested Shareholder Approval; or (c) subject to Section 4.13 hereof, accelerate the expiry or vesting terms applicable to an Option.

4.6 Exercise Price

The price at which an Option Holder may purchase a Common Share upon the exercise of an Option will be as set forth in the Option Certificate issued in respect of such Option and in any event will not be less than the Market Value of the Common Shares as of the Award Date. The Market Value of the Common Shares for a particular Award Date will be determined as follows:

- (a) if the Common Shares are listed on the TSXV or one or more alternative organized trading facilities, the Market Value will be determined by a resolution of the Board and must be no lower than the closing trading price of the Common Shares on the TSXV or such other alternative organized trading facilities on the last trading day immediately preceding the Award Date during which sales of the Common Shares were reported (or if there is more than one such organized trading facility the Board shall determine the appropriate organized trading facility); and
- (b) if the Common Shares are not listed on any organized trading facility, then the Market Value will be, subject to the necessary approvals of the applicable Regulatory Authorities, such value as is determined by the Board.

Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities as would apply to the Award Date in question.

4.7 Additional Terms

Subject to all applicable securities laws and regulations and the rules and policies of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. Subject to Section 4.13 hereof, these terms and conditions may include, but are not necessarily limited to, the following:

- (a) providing that an Option expires on a date other than as provided for herein, provided that in no case will an Option be exercisable later than the tenth anniversary of the Award Date of the Option; however, if the Expiry Date occurs during a Blackout Period, the Expiry Date shall be extended to the date that is ten (10) business days following the end of such Blackout Period;
- (b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events other than as provided for herein; and
- (c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Company.

4.8 Assignment of Options

Subject to this Section 4.8, Options may not be assigned or transferred.

- (a) Death of Option Holder

If the employment of an Option Holder as an Employee or Consultant of the Company or any Affiliate, or the position of an Option Holder as a Director or Officer of the Company or any Affiliate, terminates as a result of his or her death, any Options held by such Option Holder shall pass to the Qualified Successor of the Option Holder, and shall be exercisable

by the Qualified Successor for a period of 1 year following such death, provided that in no case shall the Exercise Period of the Option extend beyond ten years from the Award Date.

(b) Disability of Option Holder

If the employment of an Option Holder as an Employee or Consultant of the Company or any Affiliate, or the position of an Option Holder as a Director or Officer of the Company or any Affiliate, is terminated by the Company or any Affiliate by reason of such Option Holder's Disability, any Option held by such Option Holder that could have been exercised immediately prior to such termination of service shall be exercisable by such Option Holder, or by his Guardian, for a period of 1 year following the termination of service of such Option Holder.

(c) Disability and Death of Option Holder

If an Option Holder who has ceased to be employed by the Company or any Affiliate by reason of such Option Holder's Disability dies within 30 days after the termination of such employment, any Option held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Option Holder, and shall be exercisable by the Qualified Successor for a period of 1 year following the death of such Option Holder, provided that in no case shall the Exercise Period of the Option extend beyond ten years from the Award Date.

(d) Vesting

Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

(e) Deemed Non-Interruption of Employment

Employment shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to reemployment with the Company or any Affiliate is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's reemployment is not so guaranteed, then his or her employment shall be deemed to have terminated on the ninety-first day of such leave.

4.9 Effect of a Take-Over Bid

If a bona fide offer (the "**Offer**") for Common Shares is made to an Option Holder or to shareholders generally or to a class of shareholders which includes the Option Holder, which Offer constitutes a take-over bid within the meaning of Section 92 of the *Securities Act* (British Columbia), as amended from time to time, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of full particulars of the Offer, whereupon any Option held by an Option Holder may be exercised in whole or in part by the Option Holder so as to permit the Option Holder to tender the Common Shares received upon such exercise (the "Optioned Shares") to the Offer. If:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Optioned Shares tendered by the Option Holder pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Option Holder to the Company and reinstated as authorized but unissued

Common Shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the Exercise Price to the Option Holder for such Optioned Shares.

4.10 Acceleration of Expiry Date

Subject to Section 4.13 hereof, if at any time when an Option granted under the Plan remains unexercised with respect to any unissued Shares, an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, declare all Options granted under the Plan, vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Common Shares must be tendered pursuant to the Offer. The Directors shall give each Option Holder reasonable notice of the acceleration of the Options under this section, except that not less than 5 business days' notice is required and more than 30 days' notice is not required.

4.11 Change of Control

Subject to Section 4.13 hereof, if the Company proposes to amalgamate, merge or consolidate with any other corporation (otherwise than pursuant to an internal corporate reorganization that would not affect control of the Company) or to liquidate, dissolve or wind-up, or in connection with any proposed sale or conveyance of all or substantially all of the property or assets of the Company or any proposed offer to acquire all of the outstanding Common Shares or any other proposed transaction involving the Company (in each case, a "**Change of Control**"), the Board may, in its discretion, permit and authorize the accelerated vesting and early exercise of all or any portion of the then outstanding Options in connection with the completion of such Change of Control.

4.12 Adjustments

Subject to the prior acceptance of the TSXV, if at any time after the grant of an Option to any Option Holder and prior to the Expiry Date of such Option, the Shares shall be reclassified, reorganized or otherwise changed, subject to the provisions of Section 4.12 hereof, the Company shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Company**") the Option Holder shall be entitled to receive upon the subsequent exercise of his, her or its Option in accordance with the terms hereof and shall accept in lieu of the number of Shares to which he, she or it was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class and/or other securities of the Company or the Successor Company (as the case may be) and/or other consideration from the Company or the Successor Company (as the case may be) that the Option Holder would have been entitled to receive as a result of such reclassification, reorganization or other change or, subject to the provisions of Section 4.12 hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change or the effective date of such consolidation, merger or amalgamation, as the case may be, he or she had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.

4.13 Option Grant and Vesting Terms

Unless otherwise determined by the Board in accordance with the terms and conditions of this Plan, Options will be granted by the Board. The Board may determine and impose terms upon which each Option shall become vested, provided that, if the Common Shares are listed on the TSXV, Options granted to Persons employed to conduct Investor Relations Activities must vest in stages over 12 months such that no more than 25% of Options vest in each of the three, six, nine and twelve-month periods following the date of grant.

4.14 Fractional Shares

The Company shall not be required to issue fractional Common Shares in satisfaction of its obligations under the Plan. Any fractional interest in a Common Share that would, except for the provisions of this Section 4.14, be deliverable upon the exercise of any Option shall be cancelled and not be deliverable by the Company.

ARTICLE 5 EXERCISE OF OPTION

5.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Guardian of the Option Holder. An Option Holder or the Guardian of the Option Holder may exercise the vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to “**Kadestone Capital Corp.**” in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased pursuant to the exercise of the Option.

In the event that the Expiry Date of an Option falls within a Blackout Period, the Expiry Date of such Option shall automatically be extended to the Extension Period; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) trading days following the end of the last imposed Blackout Period.

5.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator will, in his sole discretion, either cause to be delivered to the Option Holder a certificate for the Common Shares purchased by the Option Holder or cause to be delivered to the Option Holder a copy of such certificate and the original of such certificate will be placed in the minute book of the Company. If the number of Common Shares in respect of which the Option was exercised is less than the number of Common Shares subject to the Option Certificate surrendered, the Administrator will forward a new Option Certificate to the Option Holder concurrently with delivery of the share certificate for the balance of the Common Shares available under the Option.

5.3 Condition of Issue

The Options and the issue of Common Shares by the Company pursuant to the exercise of Options are subject to the terms and conditions of the Plan and compliance with the rules and policies of all applicable Regulatory Authorities with respect to the granting of such Options and the issuance and distribution of such Common Shares, and to all applicable securities laws and regulations. The Option Holder agrees to comply with all such laws, regulations, rules and policies and agrees to furnish to the Company any information, reports or undertakings required to comply with, and to fully cooperate with, the Company in complying with such laws, regulations, rules and policies.

ARTICLE 6 TAX WITHHOLDING

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 Option Holder who wishes to

exercise an Option must, in addition to following the procedures set out in this Article 6 and elsewhere in this Plan, and as a condition of exercise:

- (a) 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;
- (b) 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; or
- (c) direct a portion of the Common Shares acquired to be sold by a broker, the funds from such sale paid to the Company and the Company directed to remit the funds received to the Canada Revenue Agency and/or such other applicable provincial taxation authority in satisfaction of the applicable withholding requirements;

and must in all other respects follow any related procedures and conditions imposed by the Company and pursuant to the relevant policies of the TSXV.

ARTICLE 7 ADMINISTRATION

7.1 Administration

The Plan will be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such policies not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such policies will form part of the Plan. The Board may delegate to the Administrator or any director, officer or employee of the Company such administrative duties and powers as it may see fit.

7.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto will be final and conclusive and will not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder will be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person will be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE 8 AMENDMENT, TERMINATION AND NOTICE

8.1 Prospective Amendment

Subject to Section 8.3 and any necessary prior acceptance of the TSXV, the Board may, from time to time and in accordance with any third party obligations of the Company, amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Common Shares, or for any other purpose which may be permitted by all relevant laws, regulations, rules and policies provided always that any such amendment will not impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

8.2 Retrospective Amendment

Subject to Section 8.3 and any necessary prior acceptance of the TSXV, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted.

8.3 Termination and Amendment on the TSXV

Notwithstanding Sections 8.1, 8.2 and 8.6, and if for so long as the Common Shares are listed on the TSXV, the Plan can only be terminated or amended in accordance with the terms of this Section 8.3.

(a) Power of the Board to Terminate or Amend Plan

Subject to the prior acceptance of the TSXV and any other applicable Regulatory Authorities and the requirements of the policy manual of the TSXV and any other applicable Regulatory Authority, the Board may terminate, suspend or amend the terms of the Plan; provided, however, that, except as provided in Section 5.1 hereof, the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, approval by the affirmative votes of the holders of a majority of the voting securities of the Company present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable corporate laws, and, where required, by way of Disinterested Shareholder Approval:

- (i) increase the maximum number of Common Shares that may be reserved under the Plan for issuance pursuant the exercise of Options (other than pursuant to Section 4.9 and Section 4.12);
- (ii) place limitations under the Plan on the number of Options that may be granted to any one Person or any category of Persons;
- (iii) reduce the Exercise Price of Options;
- (iv) grant to Insiders, within a 12 month period, an aggregate number of options exceeding 10% of the Company's issued Common Shares, calculated at the date the Option is granted to the Insider;
- (v) issue to any one Option Holder, within a 12 month period, a number of Common Shares exceeding 5% of the Company's Common Shares;
- (vi) reserve for issuance Common Shares under the Plan and all of the Company's other security based compensation arrangements in existence from time to time on and after the effective date of the Plan, where such reservation could result in the aggregate number of Common Shares granted to Insiders exceeding 10% of the Company's issued Common Shares;
- (vii) materially modify the requirements as to eligibility for participation in the Plan;
- (viii) materially increase the benefits accruing to participants under the Plan;
- (ix) modify the method for determining the Exercise Price of the Options;
- (x) modify the maximum term of the Options;
- (xi) modify the expiry and termination provisions applicable to Options;

- (xii) expand the types of awards which may be granted under the Plan;
- (xiii) extend the duration of the Plan; or
- (xiv) modify the provisions of this Section 8.3.

however, the Board may, without shareholder approval:

- (i) make any amendment of a typographical, grammatical, clerical or administrative nature or clarification correcting or rectifying any ambiguity, immaterial inconsistency, defective provision, mistake, or error or omission in this Plan or any Option;
 - (ii) make any addition to, deletion from or alteration of the provisions of this Plan or any Option that are necessary to comply with applicable law or the requirements of any regulatory or governmental agency or applicable stock exchange and to avoid unanticipated consequences deemed by the Board to be inconsistent with the purpose of this Plan; or
 - (iii) make any amendments to clarify existing provisions of this Plan or any Option provided that such changes do not have the effect of altering the scope, nature and intent of this Plan or any Option.
- (b) No Grant During Suspension of Plan

No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

8.4 Approvals

The Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities. If, and for so long as, the Common Shares are listed on the TSXV, the provisions of the Plan are and will be subject to the relevant policies of the TSXV.

8.5 Termination

Subject to 8.3, the Board may terminate the Plan at any time provided that such termination will not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which will continue to be governed by the provisions of the Plan.

8.6 Agreement

The Company and every Option awarded hereunder will be bound by and subject to the terms and conditions of the Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of the Plan. The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plan.

8.7 Notice

Any notice or other communication contemplated under the Plan to be given by the Company to an Option Holder will be given by the Company delivering, emailing or faxing the notice to the Option Holder at the last address for the Option Holder in the Company's records. Any such notice will be deemed to have been

given on the date on which it was delivered, or in the case of email or fax, the next business day after transmission. An Option Holder may, at any time, advise the Company of a change in the Option Holder's address or fax number.

[Remainder of page intentionally left blank.]

SCHEDULE A

KADESTONE CAPITAL CORP. STOCK OPTION PLAN OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Kadestone Capital Corp. (the “**Company**”) stock option plan (the “**Plan**”) and evidences that ● is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to ● Common Shares Without Par Value (the “**Common Shares**”) in the capital of the Company. The Exercise Price of the Option is Cdn. \$● per Common Share.

Subject to the provisions of the Plan:

- (a) the Award Date of the Option is ●, ●; and
- (b) the Fixed Expiry Date of the Option is ●, ●.

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the Award Date through to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to “**Kadestone Capital Corp.**” in an amount equal to the aggregate of the Exercise Price of the Common Shares in respect of which the Option is being exercised.

[The Company and the Option Holder hereby certify that the Option Holder is a bona fide Employee, Consultant or Management Company Employee.]

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company will prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. All terms not otherwise defined in this Certificate will have the meanings given to them under the Plan.

Dated this ● day of ●, ●.

KADESTONE CAPITAL CORP.

Per: _____
Administrator, Stock Option Plan

Accepted and agreed this ● day of ●, ●, by:

Name: _____

KADESTONE CAPITAL CORP.
OPTION CERTIFICATE - SCHEDULE

The additional terms and conditions attached to the Option represented by this Certificate are as follows:

1. [●].

KADESTONE CAPITAL CORP.

Per: _____
Administrator, Stock Option Plan

Accepted and agreed this ● day of ●, ●, by:

Name: _____

SCHEDULE B

**KADESTONE CAPITAL CORP. STOCK OPTION PLAN
NOTICE OF EXERCISE OF OPTION**

TO: The Administrator, Stock Option Plan
Kadestone Capital Corp.
Suite 3500, The Stack,
1133 Melville Street,
Vancouver, BC V6E 4E5
Attention: David Negus
E-mail: dnegus@kadestone.com

The undersigned hereby irrevocably gives notice, pursuant to Kadestone Capital Corp. stock option plan (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Common Shares; or
- (b) _____ of the Common Shares,

which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft (circle one) payable to "**Kadestone Capital Corp.**" in an amount equal to the aggregate Exercise Price of the aforesaid Common Shares and directs the Company to issue the certificate evidencing said Common Shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Notice of Exercise of Option the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Notice of Exercise of Option will have the meanings given to them under the Option Certificate.

DATED the _____ day of _____, _____.

Signature of Option Holder

