

**DRAGONFLY CAPITAL CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS  
TO BE HELD ON MARCH 31, 2021**

**AND**

**INFORMATION CIRCULAR**

*February 26, 2021*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.*

**DRAGONFLY CAPITAL CORP.**

120 Adelaide Street West

Toronto, ON M5H 1T1

Telephone: 647.891.1721

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of Dragonfly Capital Corp. (the “**Company**”) will be held via teleconference only, on Wednesday, March 31, 2021, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

- (1) to receive the audited financial statements of the Company for the fiscal year ended April 30, 2020, and the accompanying reports of the auditors;
- (2) to set the number of directors of the Company at three (3);
- (3) to elect Kent Deuters, Gregory Galanis and Eric Boehnke as directors of the Company;
- (4) to appoint Kreston GTA LLP as the auditors of the Company for the fiscal year ending April 30, 2021 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending April 30, 2021;
- (5) to consider and, if thought fit, to pass an ordinary resolution to ratify the Company’s Stock Option Plan, as described in the accompanying information circular (the “**Information Circular**”);
- (6) to consider and, if thought fit, to pass a resolution authorizing the Company to make application to the Supreme Court of British Columbia pursuant to Section 229 of the *Business Corporations Act*, British Columbia, in order to rectify the Company’s failure to hold an annual general meeting during the 2020 calendar year and, in connection therewith, to distribute interim and annual financial statements; and
- (7) to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of meeting (the “**Notice of Meeting**”).

The board of directors of the Company has fixed February 22, 2021 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

In view of the current and rapidly evolving COVID-19 outbreak, the Company will not be providing a physical location for shareholders to attend the Meeting in person. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. To access the Meeting by teleconference, dial 1-877-385-4099, participant access code: 7862023#.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, or a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 26th day of February, 2021.

By Order of the Board of Directors of

**DRAGONFLY CAPITAL CORP.**

“Kent Deuters”

Kent Deuters

Chief Executive Officer and Director

**PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED FORM OF PROXY AND PROMPTLY RETURN IT IN THE ENVELOPE PROVIDED.**

**DRAGONFLY CAPITAL CORP.**

120 Adelaide Street West  
Toronto, ON M5H 1T1  
Telephone: 647.891.1721

**INFORMATION CIRCULAR**

**February 26, 2021**

**INTRODUCTION**

This information circular (the “**Information Circular**”) accompanies the notice of annual general and special meeting of shareholders (the “**Notice**”) of Dragonfly Capital Corp. (the “**Company**”) and is furnished to shareholders (each, a “**Shareholder**”) holding common shares (the “**Shares**”) of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. on Wednesday, March 31, 2021 to be held via teleconference only by calling 1-877-385-4099, participant access code: 7862023#, or at any adjournment or postponement thereof.

**Date and Currency**

The date of this Information Circular is February 26, 2021. Unless otherwise stated, all amounts herein are in Canadian dollars.

**COVID**

In view of the current and rapidly evolving COVID-19 outbreak, the Company will not be providing a physical location for shareholders to attend the Meeting in person. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. To access the Meeting by teleconference, dial 1-877-385-4099, participant access code: 7862023#.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation to any of the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers who are NOBOs (as defined below), and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in

which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### **Appointment of Proxy**

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each common share that such Shareholder holds on the record date of February 22, 2021 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.**

**A SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in his sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder’s attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder’s attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing

procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

### **Voting of Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the proxy. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares of a Shareholder on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.** If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. 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). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of all Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by his, her, or its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions

from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. If Beneficial Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting - the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the applicable Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his, her or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his, her or its Shares.

Beneficial Shareholders consist of non-objecting beneficial owners (each, a "**NOBO**") and objecting beneficial owners (each, an "**OBO**"). A NOBO is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators. An OBO means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under NI 54-101.

The Company is sending proxy-related materials directly to NOBOs of the Shares. The Company will not pay for the delivery of proxy-related materials to OBOs of the Shares under NI 54-101 and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary*. The OBOs of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the "**Board**") to be the close of business on February 22, 2021, a total of 101,732,972 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

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

### FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended April 30, 2020, together with the auditor's report thereon, will be presented to the Shareholders at the Meeting. The Company's financial statements and management discussion and analysis are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at three (3). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends the approval of setting the number of directors of the Company at three (3).**

### ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

Management of the Company proposes to nominate all of the current directors of the Company, as set out in the table below, for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
Kent Deuters <sup>(2)</sup> Ontario, Canada <i>Chief Executive Officer and Director</i>	Business Consultant.	April 30, 2018	Nil
Gregory Galanis <sup>(2)</sup> Ontario, Canada <i>Director</i>	Private Investor.	April 30, 2018	Nil
Eric Boehnke <sup>(2)</sup> British Columbia, Canada <i>Director</i>	Chief executive officer of the Trenchant Capital Corp., an investment company, listed on the Canadian Securities Exchange (the "CSE") since May 26, 2014 and a director of Vinza Capital Management Inc., a finance company not listed on any stock exchange; President of Big Sky Management Ltd., a private company providing corporate finance and administrative management services, since 1996.	April 23, 2020	Nil

(1) Information has been furnished by the respective nominees individually.

(2) Member of the Audit Committee. Currently the audit committee consists of Kent Deuters, Gregory Galanis and Eric Boehnke.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Shares represented by proxies for the election of any other persons as directors.

**Management recommends the election of each of the nominees listed above as a director of the Company.**

*Orders*

Except as disclosed below, to the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

In August 2015, when Eric Boehnke was a director and/or officer of Trenchant Capital Corp. ("**Trenchant**"), the British Columbia Securities Commission (the "**BCSC**") issued a cease trade order against Trenchant for failure to file its annual audited financial statements and management discussion and analysis for the year ended March 31, 2015, and trading in the common shares of Trenchant was halted by the TSX Venture Exchange (the "**TSXV**"). In January 2016, the BCSC issued a partial revocation order in respect of the cease trade order, pursuant to which Trenchant was permitted to undertake a \$600,000 private placement, in order to enable it to complete its delinquent filings. The BCSC revoked the cease trade order on April 25, 2016, when the outstanding filings were completed, and the TSXV reinstated trading in the common shares of Trenchant on the NEX board ("**NEX**") of the TSXV on May 3, 2016.

*Bankruptcies*

To the best of management's knowledge, no proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

*Penalties and Sanctions*

To the best of management's knowledge, no proposed director of the Company 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.

## STATEMENT OF EXECUTIVE COMPENSATION

### General

For the purpose of this Statement of Executive Compensation:

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

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year, and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

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

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

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Kent Deuters <sup>(2)</sup> <i>CEO and Director</i>	2020	5,000	Nil	Nil	Nil	Nil	5,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Paul Kania <sup>(3)</sup> <i>CFO and former Director</i>	2020	36,000	Nil	Nil	Nil	Nil	36,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Gregory Galanis <sup>(4)</sup> <i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Eric Boehnke <sup>(5)</sup> <i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Martin Bajic <sup>(6)</sup> <i>Former CFO and Director</i>	2020	45,000	Nil	Nil	Nil	Nil	45,000
	2019	90,000	Nil	Nil	Nil	Nil	90,000

- (1) "Perquisites" include perquisites provided to a NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (2) Kent Deuters has been the CEO and a director of the Company since April 30, 2018.
- (3) Paul Kania has been the CFO of the Company since November 13, 2019 and was a director of the Company from September 26, 2018 to April 23, 2020.
- (4) Gregory Galanis has been a director of the Company since April 30, 2018.
- (5) Eric Boehnke has been a director of the Company since April 23, 2020.
- (6) Martin Bajic was the CFO and a director of the Company from April 30, 2018 to November 13, 2019.

### Stock Options and Other Compensation Securities

The Company did not grant or issue any compensation securities to any director or NEO in the financial year ended April 30, 2020. As at April 30, 2020, no director or NEO held any compensation securities.

### Stock Option Plans and Other Incentive Plans

The Company's current stock option plan (the "Plan"), which it adopted in April 2010, is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase Shares. As at February 22, 2020, there were no stock options outstanding under the Plan.

For additional details regarding the terms of the Plan, see below under the heading "Ratification of Stock Option Plan".

## Employment, Consulting and Management Agreements

The Company is not party to any formal, written employment, consulting or management agreements with respect to any NEO or director.

## Oversight and Description of Director and NEO Compensation

The Board is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations with respect to the compensation of the Company's executive officers. The Board ensures that total compensation paid to its NEOs is fair and reasonable and is consistent with the Company's compensation philosophy.

Prior to completion of a Qualifying Transaction (as such term is defined under the policies of the TSXV, no payment of any kind has been made, or will be made, directly or indirectly, by the Company to a non-arm's length party to the Company or a Non-Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Company or any resulting issuer by any means, including: (a) remuneration, which includes but is not limited to: (i) salaries; (ii) consulting fees; (iii) management contract fees or directors' fees; (iv) finders fees; (v) loans, advances, bonuses; and (b) deposits and similar payments.

However, the Company may reimburse non-arm's length parties for the Company's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value (a "**Permitted Reimbursement**"), which reimbursements, since incorporation, have taken place. No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors and officers may also be granted stock options under the Plan.

Following completion of a Qualifying Transaction, it is anticipated that the Company shall pay compensation to its directors and officers. However, no payment other than the Permitted Reimbursements will be made by the Company or by any party on behalf of the Company, after completion of a Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

## Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Plan, being the Company's only equity compensation plan, as of April 30, 2020.

Plan Category	Number of Shares to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by Shareholders	Nil	N/A	1,631,100
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A

Plan Category	Number of Shares to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
<b>Total</b>	Nil	N/A	1,631,100

<sup>(1)</sup> The Company does not have any warrants or rights outstanding under any equity compensation plans.

### APPOINTMENT OF AUDITOR

It is proposed that Kreston GTA LLP, Chartered Professional Accountants (“**Kreston**”) of 8953 Woodbine Avenue, Markham, Ontario, L3R 0J9, be appointed as auditor of the Company for the financial year ending April 30, 2021.

Saturna Group Chartered Accountants LLP (**Saturna**”), by mutual agreement resigned as the auditor of the Company effective August 20, 2020. Pursuant to Section 204(4) of the *Business Corporations Act* (British Columbia), the Board is entitled to fill any causal vacancy in the office of auditor. Effective August 24, 2020, the Board appointed Kreston to the position of auditor for the Company until the Meeting. Attached as Schedule “A” to this Information Circular is a reporting package consisting of:

- (a) a Notice of Change of Auditor; and
- (b) letters addressed to certain securities regulators from Saturna and Kreston with respect to the change of auditor.

At the Meeting, shareholders will be asked to vote for the appointment of Kreston, to serve as auditor of the Company for the Company’s fiscal year ending April 30, 2021 at a remuneration to be fixed by the Board.

**Management recommends shareholders vote for the appointment of Kreston as the Company’s auditor for the Company’s fiscal year ending April 30, 2021 at remuneration to be fixed by the Board.**

### AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the “**Audit Committee**”):

#### The Audit Committee Charter

The text of the Audit Committee’s Charter is as follows:

#### 1. Purpose and Objectives

1.1 The Audit Committee will assist the Board in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company’s process for monitoring compliance with laws and regulations. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors.

To perform his or her role effectively, each Audit Committee member will obtain an understanding of the responsibilities of Audit Committee membership as well as the Company's business, operations and risks.

## 2. **Authority**

2.1 The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.

2.2 The Board will instruct its external auditors to report directly to the Audit Committee.

## 3. **Composition, Procedures and Organization**

### Membership

3.1 The Audit Committee shall consist of at least three members of the Board, a majority of which are not officers, employees or control persons of the Company or any associates or affiliates of the Company.

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

3.3 Unless the Board shall have appointed a chair of the Audit Committee or in the event of the absence of the chair, the members of the Audit Committee shall elect a chair from among their number.

3.4 The secretary of the Audit Committee shall be designated from time to time from one of the members of the Audit Committee or, failing that, shall be the Company's corporate secretary, unless otherwise determined by the Audit Committee.

3.5 The Audit Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

### Meetings

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

3.7 Meetings of the Audit Committee shall be conducted as follows:

- (a) the Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Audit Committee. Special meetings shall be convened as required. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;
- (b) the chair of the Audit Committee shall be responsible for developing and setting the agenda for Audit Committee meetings and determining the time and place of such meetings;

- (c) the Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate; and
- (d) notice of the time and place of every meeting of the Audit Committee shall be given in writing to each member of the Audit Committee a reasonable time before the meeting.

3.8 The proceedings of all meetings of the Audit Committee will be minuted.

#### Procedures

3.9 The internal auditors and the external auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.

3.10 The Audit Committee shall have authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

#### **4. Roles and Responsibilities**

4.1 The overall duties and responsibilities of the Audit Committee shall be as follows:

- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements;
- (b) to establish and maintain a direct line of communication with the Company's internal auditors, if any, and external auditors and assess their performance; and
- (c) to ensure that the management of the Company's has designed, implemented and is maintaining an effective system of internal financial controls.

4.2 The duties and responsibilities of the Audit Committee as they relate to the external auditors shall be as follows:

- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
- (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors and ensure no unjustifiable restrictions or limitations have been placed on the scope;
- (c) to review the audit plan of the external auditors prior to the commencement of the audit;
- (d) to approve in advance the provision of non-audit services provided by the external auditors;
- (e) to review with the external auditors, upon completion of their audit:
  - (i) the content of their report;

- (ii) scope and quality of the audit work performed;
  - (iii) adequacy of the Company's financial and auditing personnel;
  - (iv) internal resources used;
  - (v) significant transactions outside of the normal business of the Company;
  - (vi) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
- (f) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles.

4.3 The duties and responsibilities of the Audit Committee as they relate to the Company's internal auditors, as and when applicable, shall be as follows:

- (a) to periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department; and
- (b) to review significant internal audit findings and recommendations, and management's response thereto.

4.4 The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Company shall be as follows:

- (a) to review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) to review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- (c) to periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4.5 The Audit Committee is also charged with the responsibility to:

- (a) review the annual and quarterly financial statements, including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are completed and consistent with the information known to the Audit Committee;
- (b) evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
  - (i) actual financial results for the interim period varied significantly from budgeted or projected results;

- (ii) generally accepted accounting principles have been consistently applied;
  - (iii) there are any actual or proposed changes in accounting or financial reporting practices; and
  - (iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider adequacy of that disclosure.
- (c) review and approve the financial sections of:
- (i) the annual report to shareholders;
  - (ii) the annual information form (if any);
  - (iii) prospectuses (if any); and
  - (iv) other public reports requiring approval by the Board;
- and report to the Board with respect thereto;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review the minutes of any Audit Committee meeting;
- (f) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (g) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company; and
- (i) establish a procedure for:
- (i) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - (ii) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.

#### **Composition of the Audit Committee**

The Company's Audit Committee is comprised of three directors consisting of Kent Deuters, Eric Boehnke and Gregory Galanis. As defined in NI 52-110, Kent Deuters, the Company's CEO is not "independent", as he is an executive officer of the Company. Messrs. Boehnke and Galanis are

independent. All of the Audit Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

### **Relevant Education and Experience**

The following sets out the education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as an Audit Committee member and that provides each member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting:

Mr. Deuters is the founder President of Deutsche Equity Group, a company specialising in funding and finance strategies both private and public. He is the founder President of Entourage Media, a company specialising in branding, mergers and business development services. He is a leading consultant and expert in the global cannabis industry with experience in multiple countries. Mr. Deuters is an international sales executive highly experienced in M&A, cannabis regulatory affairs, extraction technology, pharma delivery systems, and funding/financial markets. He held the Vice President of Business Development position with Green Sky Labs, a private science technology company. His experience also includes payment processing, telecom, branding, loyalty programs, travel, food industry, and financial banking.

Mr. Galanis brings over 20 years of experience and success in alternative investment management. Mr. Galanis began his career with First Marathon Securities in 1994, where he was the Portfolio Manager, Derivative Instruments Group and managed a \$750 million long and short market-neutral portfolio. In 1996, he moved to Midland Walwyn, where he served as a Portfolio Manager, Equity Derivatives Group, and managed a \$1.25 billion market-neutral portfolio. In 1998, Mr. Galanis was recruited as a Principal with C. Dean Metropoulos in the U.S., a private investment firm providing executive leadership and strategic direction to a portfolio of businesses. In 2000, Mr. Galanis served as the Portfolio Manager, Alternative Investments, of Delphi Capital Partners, a private investment company with over \$3 billion in assets. In 2001, Mr. Galanis joined Ascendant Capital as a Partner and Portfolio Manager. Mr. Galanis later purchased 100% of Ascendant Capital and in 2004 he merged it with Eosphoros Asset Management (EAM), a hedge fund company founded by Mr. Galanis, and of which he is the CEO. EAM currently has portfolio investments and representative offices in Canada, United States, Europe, Cayman Islands, Nevis, and Brazil. Mr. Gregory Galanis holds an MBA (Finance and Financial Engineering) from the Wharton School at the University of Pennsylvania and a BSc in Mathematics from the University of Toronto.

Mr. Boehnke is the CEO and a director of Trenchant Capital Corp., an investment company listed on the CSE, a director of Vinza Capital Management Inc., a finance company not listed on any stock exchange, and a former CEO, Executive Vice-Chairman and director of Terrace Energy Corp., a TSXV listed oil and gas exploration and production company with projects in the United States. He has served as director and on the audit committees of a number of Toronto Stock Exchange and TSXV listed companies. Mr. Boehnke is also the President and a director of Big Sky Management Ltd., a private company principally involved with providing corporate finance services to private and public companies.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-Audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

### **Pre-Approval Policies and Procedures**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board and the Audit Committee, on a case-by-case basis, as applicable.

### **External Auditor Service Fees**

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

The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

Year Ended April 30	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2020	\$5,775	\$Nil	\$Nil	\$5,775
2019	\$5,500	\$Nil	\$250	\$Nil

### Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, 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.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both, carrying more than ten percent of the voting rights attached to the Shares outstanding (each, an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

### MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company, except as otherwise described in this Information Circular.

### CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

#### Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through meetings of the Board.

Kent Deuters, the Company's CEO is not considered to be independent as he is an officer of the Company. Messrs. Galanis and Boehnke are considered to be independent in that each of them is independent and free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the respective director's ability to act with the best interests of the Company, other than the interests and relationships arising from being Shareholders.

### **Directorships**

The following table sets out information regarding other directorships presently held by directors of the Company with other reporting issuers (or the equivalent) in Canada or any foreign jurisdiction:

<b>Name of Director</b>	<b>Names of Other Reporting Issuers</b>	<b>Securities Exchange</b>
Eric Boehnke	Trenchant Capital Corp.	CSE
	Vinza Capital Management Inc.	N/A

### **Orientation and Continuing Education**

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

### **Ethical Business Conduct**

The Board has not adopted a written ethical business code of conduct for directors, officers and employees. However, the Board believes that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Company does not have a formal process or committee for proposing new nominees for election to the Board. The nominees proposed are generally the result of recruitment efforts by the members of the Board, including both formal and informal discussions among the members of the Board.

### **Compensation**

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria.

### **Other Board Committees**

The Board has no committees other than the Audit Committee.

## **Assessments**

The Board regularly monitors the adequacy and effectiveness of information given to directors, communications between the Board and management, and the strategic direction and processes of the Board and its committees.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors and the grant of options which may be granted to such persons upon the approval of the Plan, as further discussed below.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the Plan, pursuant to which they may be granted stock options. See "*Particulars of Matters to be Acted Upon - Ratification of Stock Option Plan*", below, for more information.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Ratification of Stock Option Plan**

In connection with the Company's initial public offering, the Company adopted the Plan, being a "rolling" incentive stock option plan which provides that the Board may grant up to 10% of the total number of Shares issued and outstanding at the date of the stock option grant. The purpose of the Plan is to allow the Company to grant options to directors, senior officers, consultants, employees and management company employees as additional compensation and as an opportunity to participate in the profitability of the Company. The granting of such options is intended to align the interests of such persons with that of the Company.

The term of any options granted under the Plan will be fixed by the Board and may not exceed ten years. The exercise price of options granted under the Plan will be determined by the Board, and if the Shares are listed on the TSXV or NEX, the exercise price must not be lower than the last closing sales price for such Shares as quoted on the TSXV and NEX for the market trading day immediately prior to the date of grant of the option, less any discount permitted by the TSXV and NEX and will not otherwise be less than \$0.05 per Share.

Prior to completion of a Qualifying Transaction, the Board may grant options only to directors, officers and (technical) consultants. While the Company is a capital pool company, options may be exercisable the greater of 12 months after the completion of the Qualifying Transaction and up to 90 days following cessation of the optionee's position with the Company in the event the optionee cease to be a director, officer, employee or consultant of the resulting issuer in connection with the Qualifying Transaction. Any Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow restrictions until the final TSXV bulletin is issued.

Pursuant to the Plan, the Board may, from time to time, authorize the grant of options to eligible persons, being directors, senior officers, employees, management company employees and consultants of the Company and its affiliates.

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

- (a) the number of Shares reserved for issuance pursuant to the exercise of options granted under the Plan will not exceed 10% of the issued and outstanding Shares. Any increase in the issued and outstanding Shares will result in an increase to the 10% level in the available number of Shares issuable under the Plan, and any options that are forfeited, cancelled or expired unexercised will make new grants available under the Plan;
- (b) the maximum aggregate number of Shares that may be reserved for issuance under options granted to insiders may not exceed 10% of the outstanding issue at the time of grant, unless the Company has obtained "disinterested shareholder" approval in accordance with the policies of the TSXV and NEX;
- (c) the maximum aggregate number of options granted to insiders together with any other share compensation arrangement within a 12-month period may not exceed 10% of the outstanding issue at the time of grant, unless the Company has obtained "disinterested shareholder" approval in accordance with the policies of the TSXV and NEX;
- (d) the maximum aggregate number of Shares that may be reserved for issuance under options together with any other share compensation arrangement to any one individual within a 12 month period shall not exceed 5% of the outstanding issue at the time of grant (unless the Company has obtained "disinterested shareholder" approval in accordance with the policies of the TSXV and NEX);
- (e) the maximum aggregate number of Shares that may be reserved under the Plan or any other share compensation arrangement for issuance to any one consultant within a 12-month period shall not exceed 2% of the outstanding issue at the time of grant; and
- (f) the maximum aggregate number of Shares that may be reserved under the Plan or any other share compensation arrangement for issuance to persons who are conducting investor relations activities within a 12-month period shall not exceed 2% of the outstanding issue at the time of grant;
- (g) all options granted under the Plan are non-assignable and non-transferable;
- (h) options granted to consultants engaged to perform investor relations activities must be subject to a vesting schedule whereby no more than 25% of the options granted may be vested in any three-month period. The Plan does not contain any other vesting requirements, but permits the Board to specify a vesting schedule in its discretion;
- (i) for stock options granted to employees, management company employees or consultants of the Company or any of its affiliates, the Company must ensure that the proposed optionee is a bona fide employee, management company employee or consultant of the Company or any of its affiliates, as the case may be;
- (j) if an optionee ceases to be an eligible optionee, any options held by such optionee shall expire within a reasonable period (not to exceed one year) from the date such optionee ceases to be an eligible optionee. In the event an optionee ceases to be an eligible optionee for termination for cause the option shall terminate on the date on which an optionee is terminated for cause. On death or disability of an optionee, any options held by such optionee shall expire no later than one year from the date of death or disability;

- (k) in the event of a takeover bid, all option shares subject to such option will become vested and the option may be exercised in whole or in part by the optionee so as to permit the optionee to tender the option shares received upon such exercise, pursuant to the offer;
- (l) on the occurrence of a takeover bid, or offer, the Board will have the right to accelerate the date on which any option becomes exercisable;
- (m) the exercise price and the number of Shares which are subject to an option may be adjusted from time to time for share dividends, and in the event of reclassifications, reorganizations or changes in the capital structure of the Company;
- (n) specific disinterested shareholder approval is required to reduce the exercise price of an option for an optionee who is an insider; and
- (o) if the normal expiration date of any option falls within any blackout period or within 10 business days following the end of any blackout period, then the expiry date of such restricted options shall, without any further action, be extended to the date that is 10 business days following the end of such blackout period.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the "**Plan Resolution**"), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Plan Resolution:

**"RESOLVED**, as an ordinary resolution of the shareholders of Dragonfly Capital Corp. (the "**Company**"), that:

1. The Company's Stock Option Plan (the "**Plan**") described in the Company's information circular dated February 26, 2021, including the reservation for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Plan by the TSX Venture Exchange (the "**Exchange**");
2. The board of directors of the Company be authorized in its absolute discretion to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the Exchange; 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 of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Plan."

The form of the Plan Resolution set forth above is subject to such amendments as management of the Company may propose at the Meeting, but which do not materially affect the substance of the Plan Resolution.

**Management recommends that Shareholders vote in favour of the Plan Resolution.**

## **Rectification of Failure to Comply with Company Act**

Shareholder approval is requested authorizing the Company to make application to the Supreme Court of British Columbia pursuant to Section 229 of the *Business Corporations Act* (British Columbia), for rectification of any omissions, defects, errors or irregularities that have occurred in the conduct of the business or affairs of the Company. Specifically, the Company seeks to rectify its failure to hold an annual general meeting during the 2020 calendar year and, in connection therewith, to distribute interim and annual financial statements. Shareholder approval of this resolution will assist the Company in obtaining the necessary order from the Supreme Court of British Columbia.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the "**Rectification Resolution**"), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Rectification Resolution:

"RESOLVED, as an ordinary resolution of the shareholders of Dragonfly Capital Corp. (the "**Company**"), that:

1. The Company be and is hereby authorized to make application pursuant to Section 229 of the *Business Corporations Act* to the Supreme Court of British Columbia for rectification of any omissions, defects, errors or irregularities that have occurred in the conduct of the business or affairs of the Company, specifically the failure of the Company to hold an annual general meeting for the 2020 calendar year and, in connection therewith, distribute interim and annual financial statements;
2. Any director or officer of the Company be and is hereby authorized to prepare, execute on behalf of the Company, as required, and file any and all documents necessary to make the application to the Supreme Court of British Columbia and to take any and all such other actions and complete and execute any and all such other documents as may be required to carry out the intent and purpose of these resolutions; and
3. The board of directors of the Company is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification or confirmation by the shareholders."

The form of the Rectification Resolution set forth above is subject to such amendments as management of the Company may propose at the Meeting, but which do not materially affect the substance of the Rectification Resolution.

**Management recommends that Shareholders vote in favour of the Rectification Resolution.**

### **ADDITIONAL INFORMATION**

Shareholders may contact the Company at its office by mail at 120 Adelaide Street West, Suite 1410, Toronto, Ontario, M5H 1T1 to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's audited financial statements and MD&A for the most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available on SEDAR.

### **OTHER MATTERS**

Other than the above, management of the Company know of no other matters to come before the Meeting other than those referred to in the Notice. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the Designated Persons named therein to vote on such matters in accordance with their best judgment.

### **APPROVAL OF THE BOARD OF DIRECTORS**

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

Dated at Vancouver, British Columbia this 26th day of February, 2021.

**ON BEHALF OF THE BOARD OF DIRECTORS OF**

**DRAGONFLY CAPITAL CORP.**

*"Kent Deuters"*

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Kent Deuters

Chief Executive Officer and Director

**SCHEDULE "A"**

**NOTICE OF CHANGE OF AUDITORS REPORTING PACKAGE**

**DRAGONFLY CAPITAL CORP.**  
(the “**Corporation**”)

**NOTICE OF CHANGE OF AUDITOR**

**TO:** Alberta Securities Commission  
British Columbia Securities Commission

**AND TO:** Saturna Group Chartered Accountants LLP (“**Saturna**”)  
Kreston GTA (“**Kreston**”)

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Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), the Corporation hereby gives notice as follows:

1. On August 20, 2020, by mutual agreement, Saturna resigned as auditor of the Corporation.
2. Effective August 24, 2020, Kreston GTA was appointed as the new auditor of the Corporation.
3. The resignation of Saturna and the appointment of Kreston GTA have been recommended by the audit committee of the Corporation and approved by the board of directors of the Corporation (the “**Board**”), and the contents and filing of this notice have been approved by the Board.
4. There were no reservations or modified opinions contained in Saturna’s report on the Corporation’s financial statements for the financial years ended April 30, 2019 or April 30, 2018.
5. In the opinion of the Board, there have been no “reportable events” as such term is defined in NI 51-102, between the Corporation and Saturna.

Dated this 25<sup>th</sup> day of August, 2020.

**DRAGONFLY CAPITAL CORP.**

Per: (signed) “Paul Kania”

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Name: Paul Kania  
Title: Chief Financial Officer



September 16, 2020

**British Columbia Securities Commission  
Alberta Securities Commission  
TSX Venture Exchange**

Dear Sirs/Mesdames:

**Re: Dragonfly Capital Corp. (the “Company”)  
Change of Auditor Pursuant to National Instrument 51-102 (Part 4.11)**

As required by National Instrument 51-102 (Part 4.11), we have read the statements by the Company in the Notice of Change of Auditor (the “Notice”) dated August 25, 2020 and confirm our agreement with the information contained in the Notice pertaining to our firm.

Yours very truly,

*Kreston GTA LLP*

Kreston GTA LLP  
Chartered Professional Accountants, Licensed Public Accountants  
Markham, Ontario

cc: *Dragonfly Capital Corp. – Board of Directors*

September 1, 2020

British Columbia Securities Commission  
Alberta Securities Commission  
TSX Venture Exchange

Dear Sirs/Mesdames:

**Re: Dragonfly Capital Corp. (the “Company”)**

We have read the statements by the Company in the Notice of Change of Auditor (the “Notice”) dated August 25, 2020, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We confirm that we are in agreement with the statements contained in the Notice.

Yours truly,

SATURNA GROUP CHARTERED PROFESSIONAL ACCOUNTANTS LLP

