



# **WestBond Enterprises Corporation**

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## **INFORMATION CIRCULAR**

(As at July 27, 2022, except as indicated)

WestBond Enterprises Corporation (the "**Company**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on Wednesday, August 31, 2022 and at any adjournments. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

The Company is not sending this Information Circular to registered or beneficial shareholders using "notice-and-access" as defined under NI 54-101 ("**NI 54-101**").

### **APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

**A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

### **VOTING BY PROXY**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting 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 a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered holder. Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners ("**NOBOs**"). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**").

In accordance with securities regulatory requirements, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting. The Company does not intend to pay for Nominees to deliver the meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the meeting materials unless their Nominee assumes the costs of delivery.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

The Company is sending meeting materials directly to NOBOs. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## NOTICE-AND-ACCESS

The Company is not sending the meeting materials to shareholders using "notice-and-access", as defined under NI 54-101.

## REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "Shares"), of which 35,625,800 Shares are issued and outstanding. Persons who are registered shareholders at the close of business on July 27, 2022 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all Shares of the Company, except the following:

<i>Name</i>	<i>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>	<i>Percentage of Outstanding Shares</i>
Gennaro Magistrale	8,115,524 common shares	22.8%
Mario Grech	6,463,500 common shares	18.1%

## ELECTION OF DIRECTORS

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 appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to confirm the number of directors of the Company at four (4).

The Company is required to have an audit committee. Members of the audit committee are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></i>
<b>Gennaro Magistrale</b> British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	President of the Company	Since October 24, 1989	8,115,524 common shares
<b>J. Douglas Seppala</b> <sup>(2)(3)(4)</sup> British Columbia, Canada <i>Director</i>	Lawyer, DuMoulin Black LLP (a law firm)	Since October 17, 1996	407,485 common shares
<b>D. Dan Dawson</b> <sup>(2)(3)(4)</sup> British Columbia, Canada <i>Director</i>	President, Dawson Group of Companies (residential developers)	Since May 6, 2003	150,000 common shares
<b>Peter R. Toigo</b> <sup>(2)(3)(4)</sup> British Columbia, Canada <i>Director</i>	Managing Director, Shato Holdings Ltd. (real estate developers and restaurateurs)	Since June 19, 2013	250,000 common shares

(1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at July 27, 2022, based upon information furnished to the Company by individual directors.

(2) Member of the audit committee.

(3) Member of the compensation committee.

(4) Member of the corporate governance committee.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

Except as set out below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:
  - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of 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; or
  - (ii) 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, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the 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; or

- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any 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.

## **DIRECTOR AND EXECUTIVE OFFICER COMPENSATION**

### **Compensation Discussion and Analysis**

The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long term success, to encourage executives to further the development of the Company and its operations, and to motivate top quality and experienced executives and to build shareholder value. The key elements of the executive compensation program are: (i) base salary; (ii) annual incentive award; and (iii) incentive stock options. The board of directors of the Company (the "Board") are of the view that all elements of the program should be considered based on the financial resources and circumstances of the Company in any given year and therefore do not ascribe particular weight to any single element. As such, the Company determines the amount to be paid for each element of compensation based on a subjective decision, rather than objective, identifiable measures.

The Compensation Committee as well as the Board as a whole monitor and determine executive compensation as well as compensation of directors. Compensation paid to directors and management is based on the objectives set forth above balanced against the need to preserve available cash for operations. In determining compensation the Compensation Committee has regard for the need to provide fair and competitive compensation; to balance the interests of management and the Company's shareholders; and to reward performance, both on an individual basis and with respect to operations in general. Except for an annual bonus payable to the Chief Executive Officer based on net income before tax, none of the compensation is tied to performance criteria other than the overall performance of the Company. Compensation is reviewed annually by the Compensation Committee.

The Board has not undertaken a formal analysis of the implications of the risks associated with the Company's compensation policies and practices.

The Company has not adopted a formal policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by directors or officers; however, the Company is not aware of any directors or officers having entered into this type of transaction.

### **Share-Based and Option-Based Awards**

The Company does not grant share-based awards.

The Company has a "rolling" stock option plan (the "**Plan**") for the granting of incentive stock options to the officers, employees and directors. The purpose of the Plan is to allow the Company to grant options to directors, senior officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders.

Options will be exercisable over periods of up to ten years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's Shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with the market price in accordance with the policies of the TSX Venture Exchange (the "TSXV").

The Plan authorizes the Board to grant, in its absolute discretion, stock options to directors, officers, employees or consultants on such terms, limitations, conditions and restrictions as it deems necessary and advisable.

### Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* (the "Form 51-102F6V")) sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each Named Executive Officer (defined below) and director, in any capacity to the Company for the two most recently completed financial years of the Company, ended on March 31, 2022 and 2021. The information is provided for each of the individuals comprised of the Chief Executive Officer and the Chief Financial Officer who acted in such capacity for all or any portion of the most recently completed financial year, and the most highly compensated executive officer, or the most highly compensated individual acting in a similar capacity, (other than the Chief Executive Officer and the Chief Financial Officer), as at March 31, 2022 whose total compensation was more than \$150,000 for the financial year and any individual who would be a named executive officer but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of the most recently completed financial year (collectively the "Named Executive Officers" or "NEOs"), and for each director of the Company:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Gennaro Magistrale Director and CEO	2022	251,923	nil	nil	29,902 <sup>(2)</sup>	nil	281,825 <sup>(5)</sup>
	2021	169,876	106,786 <sup>(1)</sup>	nil	25,879 <sup>(2)</sup>	nil	302,541 <sup>(5)</sup>
Owen Granger <sup>(7)</sup> former Director and CFO	2022	72,777	1,500 <sup>(3)</sup>	nil	nil	25,901 <sup>(6)</sup>	100,178 <sup>(5)</sup>
	2021	92,422	3,000 <sup>(3)</sup>	nil	nil	nil	95,422 <sup>(5)</sup>
Subhashni Prasad <sup>(8)</sup> CFO	2022	27,558	100 <sup>(3)</sup>	nil	nil	nil	27,658 <sup>(5)</sup>
	2021	nil	nil	nil	nil	nil	nil
J. Douglas Seppala Director	2022	11,376 <sup>(4)</sup>	nil	nil	nil	nil	11,376
	2021	18,846 <sup>(4)</sup>	nil	nil	nil	nil	18,846
D. Dan Dawson Director	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil
Peter Toigo Director	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil

- (1) The amount represents a bonus earned equal to 1% of sales until October 31, 2020, an annual bonus of \$31,250 based on the profit before tax for the year ended March 31, 2021 plus a discretionary bonus of \$3,000.
- (2) The incremental cost to the Company is the amount reported for each of these perquisites, which is the total cost the Company incurs in providing the perquisite. The type and amount of each perquisite, the value of which exceeds 25% of the total value of perquisites reported for Gennaro Magistrale for the most recently completed financial year, are as follows: a car allowance: \$24,820 (2021 – \$20,874); and use of golf club membership: \$5,082 (2021 – \$5,005).
- (3) The amount represents a discretionary bonus paid.
- (4) Paid for legal services from DuMoulin Black LLP, a law firm with which J. Douglas Seppala is associated.
- (5) All of Mr. Magistrale's, Mr. Granger's and Ms. Prasad's compensation is received in their capacities as CEO or CFO.
- (6) The amount represents accrued vacation paid on termination.

- (7) Owen Granger ceased as a director and CFO effective December 30, 2021.  
 (8) Subhashni Prasad commenced as CFO effective December 30, 2021.

### Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each director and named executive officer by the Company or its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or its subsidiary.

Compensation Securities Stock Options Granted						
Name and position	Number of common shares optioned and percentage of outstanding common shares <sup>(1)</sup>	Date of grant	Exercise price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Expiry date
Gennaro Magistrale Director and CEO	325,000 0.9%	Oct 5, 2020	\$0.55	\$0.55	\$0.335	Oct 5, 2025
Owen Granger former Director and CFO	250,000 0.7%	Oct 5, 2020	\$0.55	\$0.55	\$0.335	Dec 30, 2022
J. Douglas Seppala Director	225,000 0.6%	Oct 5, 2020	\$0.55	\$0.55	\$0.335	Oct 5, 2025
D. Dan Dawson Director	175,000 0.5%	Oct 5, 2020	\$0.55	\$0.55	\$0.335	Oct 5, 2025
Peter Toigo Director	175,000 0.5%	Oct 5, 2020	\$0.55	\$0.55	\$0.335	Oct 5, 2025

- (1) All stock options vested on the date of grant and were outstanding at March 31, 2022. No other stock options or other compensation securities were held by the directors and named executive officers at March 31, 2022.

No stock options or other compensation securities were exercised by the directors or named executive officers during the most recently completed financial year.

### Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

### Termination and Change of Control Benefits

Gennaro Magistrale has an employment contract (the "**Magistrale Contract**") with the Company and its subsidiary, WestBond Industries Inc., effective November 1, 2020, which replaced his previous employment contract. The Magistrale Contract provides Mr. Magistrale a base salary plus a bonus based on the profitability of the Company each financial year and other benefits, all as determined by the board of directors, and allows Mr. Magistrale 8 weeks of vacation per year. The Magistrale Contract also provides that in the event the Company terminates his employment for other than just cause, Mr. Magistrale will be paid a severance allowance in the amount of his annual salary plus the maximum bonus payable for the year, plus continuation of benefits for up to 2 years.

Subhashni Prasad has an employment contract (the "**Prasad Contract**") with the Company and its subsidiary, WestBond Industries Inc., effective December 6, 2021. The Prasad Contract provides Ms. Prasad a salary of \$85,000 per year and other benefits, and allows Ms. Prasad 3 weeks of vacation per year. The Prasad Contract also provides that in the event the Company terminates her employment for other than just

cause, Ms. Prasad will be provided 2 weeks' notice or salary in lieu of notice, plus 1 additional week of notice or salary in lieu of notice for each complete and consecutive year of employment with the Company, up to a maximum of 12 weeks' notice or salary in lieu of notice in total.

Other than the Contract, there are no agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or its subsidiaries that were performed by a director or a NEO, or performed by any other party but are services typically provided by a director or a NEO.

### Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> <i>(c)</i>
<i>Equity compensation plans approved by securityholders</i>	1,410,000	\$0.55	2,152,580
<i>Equity compensation plans not approved by securityholders</i>	Nil	Nil	Nil
<b><i>Total</i></b>	<b><i>1,410,000</i></b>	<b><i>\$0.55</i></b>	<b><i>2,152,580</i></b>

The Company's Plan is the only compensation plan under which equity securities are authorized for issuance.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at July 27, 2022, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or, which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness 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 its subsidiaries,

in relation to a securities purchase program or other program.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

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

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or 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 in either such case has materially affected or would materially affect the Company or its subsidiaries.

## **APPOINTMENT OF AUDITORS**

PricewaterhouseCoopers LLP, Chartered Professional Accountants, of 250 Howe Street, Suite 700, Vancouver, British Columbia are the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of PricewaterhouseCoopers LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

## **MANAGEMENT CONTRACTS**

No management functions of the Company or its subsidiary are performed to any substantial degree by a person other than the Directors or executive officers of the Company or its subsidiary.

## **AUDIT COMMITTEE**

### **The Audit Committee's Charter**

The Audit Committee is a committee of the Board to which the Board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The Audit Committee will:

- (a) review and report to the Board on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;
  - (ii) the auditors' report, if any, prepared in relation to those financial statements,
- (b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the Board:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
  - (ii) the compensation of the external auditor,

- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,
- (j) 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, and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109.

The Audit Committee will be composed of at least 3 directors from the Company's Board, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the company which, in the view of the Board, could reasonably interfere with the exercise of a member's independent judgment.

All members of the Audit Committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the Audit Committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

The Audit Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Audit Committee will set the compensation for such advisors.

The Audit Committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the Audit Committee.

The reporting obligations of the Audit Committee will include:

1. reporting to the Board on the proceedings of each committee meeting and on the Audit Committee's recommendations at the next regularly scheduled directors meeting; and
2. reviewing, and reporting to the Board on its concurrence with, the disclosure required by Form 51-102F5 in any management information circular prepared by the Company.

## Composition of the Audit Committee

The following are the members of the Committee:

J. Douglas Seppala	Not Independent <sup>①</sup>	Financially literate <sup>①</sup>
D. Dan Dawson	Independent <sup>①</sup>	Financially literate <sup>①</sup>
Peter Toigo	Independent <sup>①</sup>	Financially literate <sup>①</sup>

<sup>①</sup> As defined by National Instrument 52-110 ("NI 52-110").

## Relevant Education and Experience

The education background or experience of the following Audit Committee members has enabled each to perform his responsibilities as Audit Committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as 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 an understanding of internal controls and procedures for financial reporting:

### *J. Douglas Seppala*

Mr. Seppala holds a B.Comm. and LL.B. from the University of British Columbia and has practiced in the field of corporate and securities law for over 30 years. Mr. Seppala has acquired a good understanding of the accounting principles used to prepare financial statements, in general, resulting from his legal practice, as well as his experience acquired as a member of the Audit Committee of another public company, Lifebank Corp. This experience allows him to understand the accounting principles used by the Company in preparing its financial statements and to evaluate, in general, the application of accounting principles as they relate to the accounting of the Company's estimates, accounts receivable, accounts payable and reserves. Moreover, Mr. Seppala has an understanding of the procedures regarding the disclosure of financial information.

### *D. Dan Dawson*

Mr. Dawson holds a B.Comm. in Urban Land Economics from the University of British Columbia and has been the President of a group of commercial and residential property development companies for over 25 years. This education and experience has allowed Mr. Dawson to acquire a good understanding of the accounting principles used to prepare financial statements in general and allows him to understand the accounting principles used by the Company in preparing its financial statements and to evaluate, in general, the application of accounting principles as they relate to the accounting of the Company's estimates, accounts receivable, accounts payable and reserves.

### *Peter Toigo*

Mr. Toigo has been a Senior Executive Officer of Shato Holdings Ltd., a group of commercial property development and restaurant chain companies, for over 25 years. This experience has allowed Mr. Toigo to acquire a good understanding of the accounting principles used to prepare financial statements in general and allows him to understand the accounting principles used by the Company in preparing its financial statements and to evaluate, in general, the application of accounting principles as they relate to the accounting of the Company's estimates, accounts receivable, accounts payable and reserves.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), the exemption in subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), the exemption in subsection 6.1.1(5) (Events Outside Control of Member), the exemption in 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 of NI 52-110.

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

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### **External Auditors Service Fees (By Category)**

The aggregate fees billed by the Company's external auditors in each of the Company's last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
March 31, 2022	\$48,000	\$1,194 <sup>(1)</sup>	Nil	Nil
March 31, 2021	\$52,018	\$582 <sup>(1)</sup>	Nil	Nil

(1) Canadian Public Accountability Board fees.

### **Exemption in Section 6.1 of NI 52-110**

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

### **CORPORATE GOVERNANCE DISCLOSURE**

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### **Independence of Members of Board**

The Company's Board consists of four (4) directors, two (2) of whom are independent based upon the tests for independence set forth in NI 52-110. D. Dan Dawson and Peter R. Toigo are independent. Gennaro Magistrale is not independent as he is the President and CEO of the Company and J. Douglas Seppala is not independent as he is an associate of the law firm, DuMoulin Black LLP, which provides legal services to the Company.

### **Management Supervision by Board**

The operations of the Company do not support a large board of directors. The Directors have determined that the constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors have always been able, and will in future continue to be able, to meet at any time without any members of management, including the non-independent directors, being present. Since the beginning of the Company's most recently completed financial year, the independent directors have not held any meetings without the presence of the non-independent directors. Further supervision is performed through the Audit Committee which is composed of non-management directors who meet with the Company's auditors without management being in attendance. The non-management directors normally exercise their responsibilities for independent oversight of management through their majority control of the Board. The Board may appoint a lead director to direct Board operations but has chosen not to do so.

The following Directors of the Company hold directorships in other reporting issuers as set out below:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>
Gennaro Magistrale	N/A
J. Douglas Seppala	N/A
D. Dan Dawson	N/A
Peter Toigo	N/A

### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new members of its Board are provided with:

1. information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, and the Company's internal financial information;
3. access to management; and
4. a summary of significant corporate and securities responsibilities.

Members of the Board are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Members of the board have full access to the Company's records.

### **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Company has adopted a formal code of business conduct and ethics.

The Board requires that directors and executive officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material or if required to do so by corporate or securities law.

### **Nomination of Directors**

The Board has responsibility for identifying potential board candidates. The Board assesses potential candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the paper product manufacturing and converting industry are consulted for possible candidates.

### **Compensation**

The Members of the Compensation Committee are J. Douglas Seppala, D. Dan Dawson and Peter Toigo of whom D. Dan Dawson and Peter Toigo are independent. The Compensation Committee together with the Board as a whole has responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the Compensation Committee reviews compensation paid to directors and CEOs of companies of similar size and stage of development in the industrial manufacturing sector and determines appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the Compensation Committee annually reviews the performance of the CEO in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives.

The Compensation Committee has the following responsibilities, powers and obligations:

1. consider issues of compensation for the senior level management and assist the Board in reviewing and approving corporate goals and objectives relevant to such management's compensation and evaluating on an annual basis the management's performance based on such corporate goals and objectives;
2. review executive compensation disclosure before it is publicly disclosed; and
3. review and make recommendations to the Board with respect to the Company's stock option policies and plans and stock option grants to the Directors, officers, employees and consultants of the Company.

### **Other Board Committees**

In addition to the Audit and Compensation Committees, the Company has a Corporate Governance Committee which monitors corporate governance compliance and sets corporate governance policy.

The Corporate Governance Committee has the following responsibilities, powers and operations:

- (a) review practices and legislation – review, from the point of view of the best interests of the Company and its shareholders, the current practices and procedures of the Company, the applicable legislation and other materials, including:
  - (i) review the present practices and procedures of the Company;
  - (ii) review the corporate governance guidelines and requirements under applicable securities legislation and such other materials as it considers relevant and to make recommendations to

the Board with respect to developing a mandate for the Board, establishing corporate governance practices and procedures, including further committees and committee mandates; and

- (iii) formulating a Code of Conduct and appropriate policies to ensure the Company has addressed its obligations and responsibilities in this area;
- (b) consider needs, resources, functionality and risks – identify the areas of risk and conflict in the Company’s practices and procedures, assess the needs and resources of the Company in respect of adopting various practices and procedures and consider the appropriate committees, committee mandates and composition with a view to ensuring that committees may function in a manner that achieves the objective of good and appropriate corporate governance for the Company;
- (c) provide recommendations – make recommendations to the Board with respect to Board size and composition, board compensation, a mandate of the Board, the appropriate Corporate Governance committees, committee mandates and committee composition (including with respect to the Corporate Governance Committee itself), and formulating a Code of Conduct and appropriate policies and the reasoning behind such recommendations;
- (d) other advisors – engage such other professional advisors, such as legal counsel and accounting advisors, as the Corporate Governance Committee may determine are reasonably necessary or advisable to fulfill its mandate, and the Company shall be responsible for the expenses incurred by the Corporate Governance Committee with respect to such advisors;
- (e) other actions – take such other actions as the Corporate Governance Committee shall determine are necessary or advisable to permit it to formulate appropriate recommendations to the Board with respect to Corporate Governance matters, including procedures that may be necessary to allow the Board to function independently of management; and
- (f) oversee process and disclosure – oversee and assist with:
  - (i) the implementation of the mandates, policies, practices and procedures approved by the Board and compliance with applicable corporate and securities requirements,
  - (ii) monitor, on an ongoing basis, the effectiveness of the Company’s mandates, policies, practices and procedures; and
  - (iii) the preparation of all necessary or appropriate disclosure in respect of Corporate Governance matters.

### **Board Committees**

At this time, the Board has three standing committees.

The following are the members of the audit committee:

J. Douglas Seppala  
D. Dan Dawson  
Peter Toigo

The following are the members of the corporate governance committee:

J. Douglas Seppala  
D. Dan Dawson  
Peter Toigo

The following are the members of the compensation committee:

J. Douglas Seppala  
D. Dan Dawson  
Peter Toigo

### **Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board may conduct informal surveys of its directors, and reports from the audit committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the board of director's effectiveness, the individual directors and each of its committees. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

### **Nomination and Assessment**

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

### **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

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

### **Approval of 10% Rolling Stock Option Plan**

The Board has approved the Company's current form of 10% "rolling" stock option plan (the "**Stock Option Plan**" or the "**Plan**"). The Stock Option Plan incorporates certain requirements of Exchange Policy 4.4 – *Security Based Compensation* ("**Policy 4.4**"), which was amended on November 24, 2021. The information below should be read in conjunction with the Stock Option Plan. Any definitions or capitalized terms used or referenced below have the same meaning attributed to them in the Stock Option Plan which is attached to this Information Circular as Schedule "A" and will be accessible on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The purpose of the Plan is to give to Eligible Persons (as defined herein) additional compensation, the opportunity to participate in the success of the Company by granting to such individuals Stock Options, exercisable over periods of up to ten (10) years as determined by the Board, to buy shares of the Company at a price not less than the Market Price (as defined herein) prevailing on the date the Stock Option is granted less applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. The general terms and conditions of the Stock Option Plan are reflected in the disclosure below.

### **Key Terms**

### **Summary**

Key Terms	Summary
<b>Administration</b>	<p>The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Stock Option Plan, to interpret the Stock Option Plan, to prescribe, amend and rescind rules and regulations relating to the Stock Option Plan and to make all other determinations deemed necessary or advisable in respect of the Stock Option Plan. Except as set forth in certain sections of the Stock Option Plan and subject to any required prior Exchange approval, the interpretation and construction of any provision of the Stock Option Plan by the Board shall be final and conclusive. Administration of the Stock Option Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.</p>
<b>Number of Common Shares</b>	<p>The maximum aggregate number of Common Shares that are issuable pursuant to security-based compensation granted or issued under the Stock Option Plan and all of the Company's other previously established or proposed security-based compensation plans (to which the following limits apply under Exchange policies):</p> <ul style="list-style-type: none"><li data-bbox="544 831 1395 989">(a) to all Eligible Persons granted a Stock Option pursuant to the Stock Option Plan and their heirs, executors, and administrators (“<b>Optionees</b>”) as a group (including for greater certainty Insiders (as a group) shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis at any point in time;</li><li data-bbox="544 1024 1395 1251">(b) to Insiders (as a group) in any 12-month period shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis on the date specified in an agreement whereby the Company grants an Optionee a Stock Option (an “<b>Option Agreement</b>”) as the date on which a Stock Option is granted (the “<b>Grant Date</b>”), unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies;</li><li data-bbox="544 1287 1395 1476">(c) to any one Optionee (including, where permitted under applicable policies of the Exchanges, any companies that are wholly owned by such Optionee) in any 12-month period shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies.</li><li data-bbox="544 1512 1395 1638">(d) to any one Consultant (as defined under the policies of the Exchange) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date;</li><li data-bbox="544 1673 1395 1892">(e) to Investor Relations Service Providers (as defined under the policies of the Exchange) (as a group) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date, and Investor Relations Service Providers shall not be eligible to receive any security-based compensation other than Stock Options if the Common Shares are listed on the Exchange at the time of any issuance or grant; and</li></ul>

Key Terms	Summary
	<p>(f) to Eligible Charitable Organizations (as defined under the policies of the Exchange) (as a group) shall not exceed 1% of the total number of issued and outstanding Common Shares on a non-diluted basis on the Grant Date.</p>
<b>Securities</b>	<p>Each Stock Option entitles the holder thereof to purchase one Common Share (subject to adjustment in certain circumstances) at an exercise price determined by the Board.</p>
<b>Participation</b>	<p>Any directors, officers, Employees (as defined under the policies of the Exchange), Management Company Employees (as defined under the policies of the Exchange), Consultants and Eligible Charitable Organizations (as defined under the policies of the Exchange) of the Company and its subsidiaries (collectively "<b>Eligible Persons</b>").</p>
<b>Stock Option Price</b>	<p>The price per Common Share specified in an Option Agreement, adjusted from time to time, (the "<b>Option Price</b>") under each Stock Option shall be not less than the Market Price on the Grant Date less the applicable discount permitted under the policies of the Exchanges or, if the Common Shares are not listed on any Exchange, less 25%.</p>
<b>Exercise Period</b>	<p>The exercise period of a Stock Option will be the period from and including the Grant Date up to 4:00 p.m. Pacific Time on the expiry date that will be determined by the Board at the time of grant (the "<b>Expiry Date</b>"), provided that the Expiry Date of a Stock Option will be no later than the tenth anniversary of the Grant Date of the Stock Option. In the event that the Expiry Date of a Stock Option falls during, a trading blackout period imposed by the Company (the "<b>Blackout Period</b>"), the Expiry Date of such Stock Option shall automatically be extended to a date which is ten (10) trading days following the end of such Blackout Period (the "<b>Extension Period</b>"), subject to no cease trade order being in place under applicable securities laws; 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 Stock Option within ten (10) trading days following the end of the last imposed Blackout Period.</p>
<b>Ceasing to be an Eligible Person</b>	<p>If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:</p> <p>(a) <u>Death or Disability</u></p> <p>If the Optionee ceases to be an Eligible Person, due to his or her death or disability or, in the case of an Optionee that is a company, the death or disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Stock Option then held by the Optionee shall be exercisable to acquire the number of Common Shares, at a particular time, which have been reserved for issuance upon the exercise of a Stock Option but which have not been issued, as adjusted from time to time ("<b>Unissued Option Shares</b>") that have become exercisable in respect of a number of Option Shares by the</p>

**Key Terms**

**Summary**

Optionee pursuant to the terms of the Option Agreement (“**Vested**”) at any time up to but not after the earlier of:

- (i) 365 days after the date of death or disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company (as defined under the policies of the Exchange), the Optionee’s employer, ceases to be an Eligible Person as a result of termination for cause as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee’s employer, is employed or engaged; any outstanding Stock Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee’s employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company’s retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Stock Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee’s employer, ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of section 5.3(c) of the Stock Option Plan (in connection with a corporate reorganization) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Stock Options (the "**Subject Options**"), subject to the prior approval of the Exchanges, the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to paragraph (a), (b) or (c) above, as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to section (a), (b) or (c) above; and (iv) the date that is one (1) year after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period

Key Terms	Summary
	<p>as determined by the Board.</p> <p>(e) <u>Eligible Charitable Organizations</u></p> <p>If the Optionee ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, the Stock Options then held by that Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days after the date the Optionee ceases to be an Eligible Person.</p> <p>Notwithstanding the foregoing, the Board may, in its sole discretion if it determines such is in the best interests of the Company and subject to the policies of the Exchanges, extend the early Expiry Date (as set out above in paragraphs (a) to (e)) of any Stock Option held by an Optionee who ceases to be an Eligible Person to a later date within a reasonable period, subject to such period not exceeding 12 months from the date the Optionee ceases to be an Eligible Person.</p>
<b>Vesting</b>	<p>The Board shall determine the terms upon which each Stock Option shall vest at the time of grant, subject to the policies of the Exchanges. Unless otherwise specified by the Board at the time of granting an Stock Option, all Stock Options shall vest and become exercisable in full upon grant, except Stock Options granted to Investor Relations Service Providers, which Stock Options must vest in stages over twelve months with no more than one-quarter of the Stock Options vesting in any three month period.</p>
<b>Acceleration Events (Take-Over Bid and Change of Control)</b>	<p>If at any time when a Stock Option granted under the Stock Option Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer and subject to the approval of the Exchanges with respect to Investor Relations Service Providers, declare all Option Shares issuable upon the exercise of Stock Options granted under the Stock Option Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Stock Options granted under the Stock Option Plan is accelerated so that all Stock Options will either be exercised or will expire prior to the date upon which Common Shares must be tendered pursuant to the Offer.</p> <p>If a Change of Control occurs, all Option Shares subject to each outstanding Stock Option will become Vested, whereupon such Stock Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges with respect to Investor Relations Service Providers or if otherwise necessary.</p>
<b>Amendments</b>	<p>The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders (or disinterested shareholders, if required), Exchanges or any other regulatory body having authority over the Company or the Stock Option Plan, suspend, terminate or discontinue the Stock Option Plan at any time, or amend or revise the terms of the Stock Option Plan or of any Stock Option granted under the Stock Option Plan and the Option Agreement relating thereto, provided</p>

Key Terms	Summary
	that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Stock Option previously granted to an Optionee under the Stock Option Plan without the consent of that Optionee.
<b>Common Shares Not Acquired</b>	Any Unissued Option Shares not acquired by an Optionee under a Stock Option which has been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised may be made the subject of a further Stock Option pursuant to the provisions of the Stock Option Plan.
<b>Adjustments</b>	The Stock Option Plan provides for certain standard adjustments to the Option Price and the number of Unissued Option Shares in the event of a share reorganization, special dividend distribution or corporate reorganization. Any adjustment is subject to the prior approval of the Exchange, other than adjustments due to a share subdivision, combination or consolidation.
<b>Rights of Optionees</b>	An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).
<b>Previously Granted Stock Options</b>	Stock Options which are outstanding under pre-existing stock option plan(s) of the Company as of the effective date of the Stock Option Plan shall continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of the Stock Option Plan except to the extent that the terms of the Stock Option Plan are more restrictive than the terms of such pre-existing plan(s) under which such stock options were originally granted, in which case the applicable pre-existing plan(s) shall govern, provided that any stock options granted, issued or amended after November 23, 2021 must comply with TSXV Policy 4.4 - <i>Incentive Stock Options</i> (as at November 24, 2021).

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution (the “**Stock Option Resolution**”):

**“BE IT RESOLVED THAT:**

- (a) the Company’s Stock Option Plan be confirmed and approved, and that in connection therewith a maximum of 10% of the issued and outstanding common shares of the Company at the time of each grant be approved for granting as options; and
- (b) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

**The Board unanimously recommends that each Shareholder vote FOR the Stock Option Resolution.**

**In the absence of instructions to the contrary, Common Shares represented by proxies in favour of management will be voted FOR the Stock Option Resolution. In order to be effective, the Stock Option Resolution must be passed by majority of the votes cast on the matter at the Meeting in person or by proxy.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at (604) 940-3939 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

## **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

DATED this 27<sup>th</sup> day of July, 2022.

APPROVED BY THE BOARD OF DIRECTORS

"Gennaro Magistrale"  
**GENNARO MAGISTRALE**  
President and Chief Executive Officer

**WESTBOND ENTERPRISES CORPORATION**

**July 12, 2022**

**10% ROLLING STOCK OPTION PLAN**

**1. PURPOSE OF THE PLAN**

The Company hereby establishes a stock option plan for Directors, Officers, Employees, Management Company Employees, Consultants and Eligible Charitable Organizations (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "WestBond Enterprises Corporation Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals Options, exercisable over periods of up to ten (10) years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the Option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

**2. DEFINITIONS**

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Board**" means the Board of Directors of the Company.
- 2.2 "**Change of Control**" means the occurrence of any one or more of the following events:
- (i) a consolidation, reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;
  - (ii) the sale, exchange or other disposition to a person other than an affiliate of the Company of all, or substantially all of the Company's assets;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
  - (iv) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change; or
  - (v) any person, entity or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect

directors of the Company or the successor Company (regardless of whether a meeting has been called to elect directors);

For the purposes of the foregoing, "**Voting Securities**" means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

- 2.3 "**Company**" means WestBond Enterprises Corporation and its successors.
- 2.4 "**Consultant**" means a "Consultant" as defined in the TSXV Policies.
- 2.5 "**Consultant Company**" means a "Consultant Company" as defined in the TSXV Policies.
- 2.6 "**Director**" means a "Director" as defined in the TSXV Policies.
- 2.7 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
  - a. being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - b. acting as a director or officer of the Company or its subsidiaries.
- 2.8 "**Eligible Charitable Organization**" means an "Eligible Charitable Organization" as defined in TSXV Policies.
- 2.9 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.10 "**Employee**" means an "Employee" as defined in the TSXV Policies.
- 2.11 "**Exchanges**" means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.12 "**Exchange Hold Period**" means "Exchange Hold Period" as defined in TSXV Policies.
- 2.13 "**Expiry Date**" means the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.14 "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.15 "**Insider**" means an "Insider" as defined in the TSXV Policies.
- 2.16 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSXV Policies.
- 2.17 "**Investor Relations Service Provider**" means "Investor Relations Service Provider" as defined in the TSXV Policies.
- 2.18 "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.
- 2.19 "**Management Company Employee**" means a "Management Company Employee" as defined in the TSXV Policies.

- 2.20 "**Market Price**" of Shares at any Grant Date means the market price per Share as determined by the Board, provided that if the Company is listed on an Exchange, such price shall not be less than the market price determined in accordance with the rules of such Exchange.
- 2.21 "**Officer**" means an "Officer" as defined in the TSXV Policies.
- 2.22 "**Option**" means an option to purchase Shares granted pursuant to, or governed by, this Plan and any pre-existing stock option plan of the Company.
- 2.23 "**Option Agreement**" means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.24 "**Optionee**" means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.25 "**Option Price**" means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.26 "**Option Shares**" means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.27 "**Plan**" means this WestBond Enterprises Corporation Stock Option Plan.
- 2.28 "**Securities Act**" means the Securities Act (British Columbia), R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.29 "**Security Based Compensation**" means "Security Based Compensation" as defined in the TSXV Policies.
- 2.30 "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.31 "**TSXV Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "**TSXV Policy**" means any one of them.
- 2.32 "**Unissued Option Shares**" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.33 "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

### 3. GRANT OF OPTIONS

#### 3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons. Where permitted under applicable policies of the Exchanges, companies that are wholly owned by Eligible Persons may also be issued Options. The Option Price under each Option shall be not less than the Market Price on the Grant Date less the applicable discount permitted under the policies of the Exchanges or, if the Shares are not listed on any Exchange, less 25%. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date, subject to the operation of section 4.1. Options shall not be assignable or transferable by the Optionee.

### 3.2 Limits on Shares Issuable on Exercise of Options

The maximum aggregate number of Shares that are issuable pursuant to Security Based Compensation granted or issued under the Plan and all of the Company's other previously established or proposed Security Based Compensation plans (to which the following limits apply under Exchange policies):

- (a) to all Optionees as a group (including for greater certainty Insiders (as a group)) shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis at any point in time;
- (b) to Insiders (as a group) in any 12-month period shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies;
- (c) to any one Optionee (including, where permitted under applicable policies of the Exchanges, any companies that are wholly owned by such Optionee) in any 12-month period shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies.
- (d) to any one Consultant in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date;
- (e) to Investor Relations Service Providers (as a group) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, and Investor Relations Service Providers shall not be eligible to receive any Security Based Compensation other than Options if the Shares are listed on the TSX Venture Exchange at the time of any issuance or grant; and
- (f) to Eligible Charitable Organizations (as a group) shall not exceed 1% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date.

### 3.3 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. In respect of Options granted to Employees, Consultants, Consultant Companies or Management Company Employees, the Company and the Optionee is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan. All Options shall be subject to any applicable resale restrictions pursuant to applicable securities laws. In addition, Options and Option Shares that are subject to the Exchange Hold Period pursuant to TSXV Policy 1.1 must be legended with the Exchange Hold Period commencing on the Grant Date, and the Option Agreement shall contain any applicable resale restriction or Exchange Hold Period.

## 4. EXERCISE OF OPTION

### 4.1 When Options May be Exercised

Subject to sections 4.3, 4.4 and 4.5, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. Pacific Time on the Expiry Date and shall not be exercisable thereafter. In the event that the Expiry Date of an Option falls during a trading blackout period imposed by the Company (the "**Blackout Period**"), the Expiry Date of such Option shall automatically be extended to a date which is ten (10) trading days following the end of such Blackout Period (the "**Extension Period**"), subject to no cease trade order being in place under

applicable securities laws; 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.

#### **4.2 Manner of Exercise**

The Option shall be exercisable by delivering to the Company a notice specifying the number of Option Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Option Share. Upon notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company or such other method of cash payment as is acceptable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque or other method of cash payment, as the case may be, is not honoured upon presentation in which case the Option shall not have been validly exercised.

#### **4.3 Vesting of Option Shares**

The Board, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in Section 3.2 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Investor Relations Service Providers, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period.

#### **4.4 Termination of Employment**

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then

held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of sub-section 5.3(c) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options (the "**Subject Options**"), subject to the prior approval of the Exchanges, the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to sub-section 4.4(a), (b) or (c), as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to sub-section 4.4(a), (b) or (c) hereof; and (iv) the date that is one (1) year after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

(e) Eligible Charitable Organizations

If the Optionee ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, the Options then held by that Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days after the date the Optionee ceases to be an Eligible Person.

Notwithstanding the foregoing, the Board may, in its sole discretion if it determines such is in the best interests of the Company and subject to the policies of the Exchanges, extend the early Expiry Date (as set out above in this section 4.4) of any Option held by an Optionee who ceases to be an Eligible Person to a later date within a reasonable period, subject to such period not exceeding 12 months from the date the Optionee ceases to be an Eligible Person.

For purposes of this section 4.4, the dates of death, Disability, termination, retirement, voluntary resignation, ceasing to be an Eligible Person and incapacity shall be interpreted to be without regard to any period of notice (statutory or otherwise) or whether the Optionee or his or her estate continues thereafter to receive any compensatory payments from the Company or is paid salary by the Company in lieu of notice of termination.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this section 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

#### **4.5 Effect of a Take-Over Bid**

If a *bona fide* offer ( an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchanges with respect to Investor Relations Service Providers) all Option Shares subject to such Offer 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. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to section 4.3 shall be reinstated. If any Option Shares are returned to the Company under this section 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

#### **4.6 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer and subject to the approval of the Exchanges with respect to Investor Relations Service Providers, declare all Option Shares issuable upon the exercise of 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 Shares must be tendered pursuant to the Offer. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days of notice is required and more than 30 days of notice is not required.

#### **4.7 Compulsory Acquisition or Going Private Transaction**

If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares pursuant to Division 6 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Option Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Option Shares to the take-over bid.

#### **4.8 Effect of a Change of Control**

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges with respect to Investor Relations Service Providers or if otherwise necessary.

#### **4.9 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement**

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

#### 4.10 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised may be made the subject of a further Option pursuant to the provisions of the Plan.

### 5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

#### 5.1 Share Reorganization

Subject to the prior approval of the Exchanges (other than in the case of a Share subdivision or consolidation), whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
  - (i) the Option Price in effect immediately before that effective date or record date; and
  - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection 5.1 (a)(ii).

Any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.1 is subject to compliance with the limits set out in section 3.2 and, if any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.1 would result in any limit set out in section 3.2 being exceeded, then the Company may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the Exchanges), make payment in cash to the Optionee in lieu of increasing the number of Unissued Option Shares in order to properly reflect any diminution in value of the Option Shares as a result of such Share Reorganization.

#### 5.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly

increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

Any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.2 is subject to compliance with the limits set out in section 3.2 and, if any increase in the number of Unissued Option Shares as a result of the adjustment provisions provided in this section 5.2 would result in any limit set out in section 3.2 being exceeded, then the Company may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the Exchanges), make payment in cash to the Optionee in lieu of increasing the number of Unissued Option Shares in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

### **5.3 Corporate Organization**

Subject to the prior approval of the Exchanges, whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or
- (d) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation,

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he/she would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he/she would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he/she had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board.

### **5.4 Determination of Option Price and Number of Unissued Option Shares**

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

### **5.5 Regulatory Approval**

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of sections 5.1, 5.2 or 5.3 is subject to the prior approval of the Exchanges and any other governmental authority having jurisdiction. Notwithstanding the foregoing, adjustments pursuant to section 5.1 due to a Share subdivision or consolidation do not require prior TSX Venture Exchange approval.

## **6. MISCELLANEOUS**

### **6.1 Right to Employment**

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

### **6.2 Necessary Approvals**

The Plan shall be effective upon the approval of the Plan by the Board and the Exchange or any regulatory authority having jurisdiction over the securities of the Company and shall be ratified thereafter by the shareholders of the Company by way of an ordinary resolution at the next duly convened meeting of the shareholders of the Company. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price, or any extension of the term, of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. In addition, any amendment to an Option (including any cancellation of an Option and subsequent grant of a new Option to the same Person within one year) that results in a benefit to an Insider of the Company at the time of amendment will be subject to disinterested shareholder approval (as required by the Exchanges). The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

### **6.3 Administration of the Plan**

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 5.4 and subject to any required prior Exchange approval, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

### **6.4 Withholding Taxes**

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Company determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Company. In such circumstances, the Company may require that the Optionee pay to the Company, in addition to and in the same manner as the exercise price for the Shares, such amount as the Company is obliged to remit to the relevant tax authority in respect of the exercise of the Option. Alternatively, the Company shall have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares acquired upon exercise of any Option, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to an Optionee by the Company, whether or not such amounts are payable under the Plan. For greater certainty, the application of this section 6.4 to any exercise of an Option shall not conflict with the policies of the Exchanges that are in effect at the relevant time and the Company will obtain prior Exchange acceptance and/or shareholder approval of any application of this section 6.4 if required pursuant to such policies.

### **6.5 Amendments to the Plan**

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders (or disinterested shareholders, if required), Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating

thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

#### **6.6 Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

#### **6.7 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

#### **6.8 Compliance with Applicable Law**

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

#### **6.9 No Assignment or Transfer**

No Optionee may assign or transfer any of his or her rights under the Plan or any option granted thereunder. Notwithstanding the foregoing, where permitted under applicable policies of the Exchanges, companies that are wholly owned by Eligible Persons may be issued Options.

#### **6.10 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

#### **6.11 Previously Granted Options**

Stock options which are outstanding under pre-existing stock option plan(s) of the Company as of the effective date of this Plan shall continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of this Plan except to the extent that the terms of this Plan are more restrictive than the terms of such pre-existing plan(s) under which such stock options were originally granted, in which case the applicable pre-existing plan(s) shall govern, provided that any stock options granted, issued or amended after November 23, 2021 must comply with TSXV Policy 4.4 - *Incentive Stock Options (as at November 24, 2021)*.

#### **6.12 Conflict**

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

#### **6.13 Governing Law**

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

#### **6.14 Time of Essence**

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

**6.15 Entire Agreement**

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**Approved by the Board of Directors of the Company effective July 12, 2022.**

**Approved by the shareholders of the Company on \_\_\_\_\_, 20\_\_\_\_\_.**

SCHEDULE "A"

WESTBOND ENTERPRISES CORPORATION

STOCK OPTION PLAN - OPTION AGREEMENT

[If the Company is listed on the TSXV at the time of the option grant, the following legend is required in respect of: (i) Options with an Option Price at a discount to the Market Price; or (ii) Options granted to directors, officers, promoters of the Company or persons holding securities carrying more than 10% of the voting rights and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Company: *Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●, 20● (being four months and one day after the date of grant).*]

This Option Agreement is entered into between WestBond Enterprises Corporation (the "**Company**") and the **OPTIONEE** named below pursuant to the Company Stock Option Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that:

1. on ●, 20● (the "**Grant Date**");
2. ● (the "**Optionee**");
3. was granted the option (the "**Option**") to purchase ● common shares (the "**Option Shares**") of the Company;
4. for the price (the "**Option Price**") of \$● per share;
5. which rights to purchase the Option Shares under the Option may be exercised and will vest on the Grant Date [OR set forth applicable vesting schedule – **NOT LESS THAN QUARTERLY VESTING OVER A MINIMUM OF 1 YEAR FOR INVESTOR RELATIONS SERVICE PROVIDERS**]; and
6. the Option will terminate on ● (the "**Expiry Date**");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

Where the Optionee is resident in or otherwise subject to the securities laws of the United States, the Optionee acknowledges that any Option Shares received by him/her upon exercise of the Option have not been registered under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "**Securities Acts**"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him/her or to assist him/her in complying with any exemption from such registration if he/she should at a later date wish to dispose of the Option Shares. The Optionee acknowledges that the Option Shares shall bear a legend restricting the transferability thereof, such legend to be substantially in the following form:

***"The shares represented by this certificate have not been registered or qualified under the United States Securities Act of 1933, as amended or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to U.S. federal or state securities laws, and the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company."***

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement (including without limitation all representations set out therein with respect to the Optionee).

**Acknowledgement – Personal Information**

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

**IN WITNESS WHEREOF** the parties hereto have executed this Option Agreement as of the ● day of ●, 20●.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_

**WESTBOND ENTERPRISES CORPORATION**

Per: \_\_\_\_\_  
Authorized Signatory

**WESTBOND ENTERPRISES CORPORATION  
STOCK OPTION PLAN  
NOTICE OF EXERCISE OF OPTION**

**TO: WestBond Enterprises Corporation (the "Company")**

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan of the Company (the of the exercise of stock options ("**Options**") to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Option Shares; or
- (b) \_\_\_\_\_ of the Option Shares,

which are the subject of the Option Agreement attached hereto.

The undersigned tenders herewith payment to "WestBond Enterprises Corporation", or such other payee as directed by the Company, in an amount equal to the aggregate exercise price of the aforesaid Option Shares and directs the Company to issue the certificate evidencing said Option Shares in the name of the undersigned and mail a copy of that certificate to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Option Holder

