



## **ORACLE ENERGY CORP.**

### **INFORMATION CIRCULAR FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JULY 30, 2021**

This information is given as of June 25, 2021 unless otherwise noted.

#### **SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Oracle Energy Corp. (the "Company") for use at the Annual General and Special Meeting (the "Meeting") of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

#### **GENERAL PROXY INFORMATION**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. In accordance with National Instrument 54-101 of the Canadian Securities Administrators, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the voting common shares in the capital of the Company (the "Shares") held on a record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

#### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy are directors, officers or other representatives of the Company. A shareholder entitled to vote at the Meeting has the right to appoint a person or company, who need not be a shareholder, to attend and act for the shareholder on the shareholder's behalf at the Meeting other than either the persons or company designated in the accompanying form of proxy, and may do so either by inserting the name of that other person in the blank space provided in the accompanying form of proxy or by completing and delivering another suitable form of proxy. Submitting a proxy by mail, by hand or by fax are the only methods by which a shareholder may appoint a person as proxy other than a director or officer of the Company named on the form of proxy.

#### **Voting by Proxyholder**

On a poll the nominees named in the accompanying form of proxy will vote or withhold from voting the Shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If the shareholder has specified a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

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

In respect of a matter for which a choice is not specified in the proxy, the nominees named in the accompanying form of proxy will vote the Shares represented by the proxy at their own discretion for the approval of such matter.

### **Registered Shareholders**

Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy must complete, date and sign the form of proxy. It must then be returned to the Company's transfer agent. To be represented at the Meeting, this proxy form must be received at the office of the Transfer Agent of the Company, COMPUTERSHARE INVESTOR SERVICES INC., 510 Burrard Street, 2<sup>nd</sup> Floor, Vancouver, BC V6C 3B9, by mail or by fax (1-866-249-7775) no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting.

### **Advice to Beneficial Holders of Shares**

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

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Services ("Broadridge") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of the form of proxy provided by the Company. The voting instruction form will name the same persons as the proxy to represent the Beneficial Shareholder at the Meeting. A Beneficial Shareholder has the right to appoint a person (who need not be a Beneficial Shareholder of the Company) other than the persons designated in the voting instruction form, to represent the Beneficial Shareholder at the Meeting. To exercise this right, the Beneficial Shareholder should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use it to vote Shares directly at the Meeting - the voting instruction form must be returned to Broadridge, as the case may be, well in advance of the Meeting in order to have the Shares voted. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions

provided by such broker (or agent), well in advance of the Meeting.

Alternatively, Beneficial Shareholders may request in writing that their broker send to them a legal proxy which would enable them to attend at the Meeting and vote their Shares.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to **Computershare Trust Company of Canada**, 3rd Floor - 510 Burrard Street, Vancouver, B.C. V6C 3B9 or at the address of the office of the Company at Suite 1400 – 1040 West Georgia Street, Vancouver, B.C.V6E 4H1, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law. In addition, a proxy may be revoked by the registered shareholder personally attending the Meeting and voting the registered shareholder's Shares. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as set out herein.

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

The Board of Directors of the Company has fixed **June 25, 2021**, as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

On June 25, 2021, 13,464,520 common shares without par value were issued and outstanding, each share carrying the right to one vote. At a General Meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

Only shareholders of record on the close of business on the June 25, 2021, who either personally attend the Meeting or who complete and deliver an Instrument of Proxy in the manner and subject to the provisions set out under the heading “**Appointment and Revocation of Proxies**” will be entitled to have his or her shares voted at the Meeting or any adjournment thereof. To the knowledge of the directors and senior officers of the Company, no one shareholder owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

## STATEMENT OF EXECUTIVE COMPENSATION

### General

For the purpose of this Information Circular:

“CEO” of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“CFO” of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year; and

“Named Executive Officers” or “NEO” means:

- (a) the Company’s CEO;
- (b) the Company’s CFO;
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with applicable securities laws; and
- (d) any individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

### Compensation Discussion and Analysis

The overall objective of the Company’s compensation strategy is to offer medium-term and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. The Company currently has medium-term and long-term compensation components in place, such as the stock options granted. The Company intends to further develop these compensation components. The objectives of the Company’s compensation policies and procedures are to align the interests of the Company’s employees with the interests of the Company’s shareholders. Therefore, a significant portion of the total compensation is based upon overall corporate performance. There are no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

The Company has a Compensation and Nominating Committee in place. All tasks related to developing and monitoring the Company’s approach to the compensation of officers of the Company and to developing and monitoring the Company’s approach to the nomination of directors to the Board are performed by the members of this Committee and then put to the Board for approval. Subsequent to the year ended, the Company directly, or indirectly through companies managed by NEOs, pays management fees to NEOs. The Company also chooses to grant stock options to NEOs and directors to satisfy the long-term compensation component. The Board may consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant. The Board considers that the payment of such discretionary annual cash bonuses satisfies the medium term compensation component. In the future, the Board may also consider the grant of options to purchase common shares of the Company with longer future vesting dates to satisfy the long term compensation component.

**Table of compensation excluding compensation securities**

<b>Name and Principal Position</b>	<b>Year</b>	<b>Management Fees and Consulting Fees<sup>(1)</sup></b>	<b>Bonus</b>	<b>Share-Based Awards</b>	<b>Option-Based Awards</b>	<b>Pension Value</b>	<b>All Other Compensation</b>
Loren Currie CEO and Director (appointed July 26, 2019)	2020	15,000	NIL	NIL	NIL	NIL	NIL
	2019	1,694	NIL	NIL	NIL	NIL	NIL
Mark Forster CFO	2020	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL
	2018	36,000	NIL	NIL	38,876	NIL	NIL
Darrell McKenna Former Executive Chairman (resigned July 26, 2019)	2020	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL
	2018	118,556	NIL	NIL	323,960	NIL	NIL
Art Green Former President and Director (resigned November 27, 2019)	2020	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL
	2018	NIL	NIL	NIL	80,342	NIL	NIL

<sup>1</sup> Although the Company accrued management fees each year, no fees were paid out to Directors, Officers or NEO's during the immediate past two years. During the year ended December 31, 2019, the Directors, Officers or NEO's entered into Debt Release and Assumption Agreements to assign 50% of the amounts owing to them to a former wholly owned subsidiary Oracle Oil& Gas LLP. During the year ended December 31, 2020, the Directors, Officers or NEO's entered into Debt Deferral Agreements to defer 75% of the remaining amounts owed to them to be paid in three equal installments from each of the first three private placements completed by the Company subsequent to the first anniversary date of completion of a proposed transaction with Methanogenesis Corporation.

### **Long Term Incentive Plan (LTIP) Awards**

The Company does not have any long-term incentive plans and, save as disclosed above, no remuneration payments were made, directly or indirectly, by the Company to its President, Chief Financial Officer, and Chief Executive Officer during the fiscal years ended December 31, 2020 or December 31, 2019, other than those payments disclosed in the above table.

An LTIP means “any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one fiscal year whether performance is measured by reference to financial performance of the Company or an affiliate or the price of the Company’s shares but does not include option or stock appreciation rights plans or plans for compensation through restricted shares or units”.

### **Option and Stock Appreciation Rights (SARs)**

The Company has in place a stock option plan for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such person with the opportunity to acquire an equity interest in the Company through rights granted under the plan to purchase shares of the Company. See “Particulars of Other Matters to be Acted Upon – Ratification of Stock Option Plan” below for details relating to the Company’s existing stock option plan.

### **Option and SAR Repricings**

There were no repricings of stock options under the stock option plan or otherwise during the Company’s completed financial years ended December 31, 2020 or December 31, 2019.

## DIRECTOR COMPENSATION

### DIRECTOR COMPENSATION TABLE

James Ladner Director	2020 2019	NIL 5,332	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL
Pieter Bakker Director (Appointed November 27, 2019)	2020 2019	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL
Jeff Calvert Director (Appointed November 27, 2019)	2020 2019	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL
Nasim Tyab Former Director (resigned November 27, 2019)	2020 2019	N/A NIL	NA NIL	N/A NIL	N/A NIL	N/A NIL	N/A NIL

- <sup>1</sup> Although the Company accrued management fees each year, no fees were paid out to Directors, Officers or NEO's during the immediate past two years. During the year ended December 31, 2019, the Directors, Officers or NEO's entered into Debt Release and Assumption Agreements to assign 50% of the amounts owing to them to a former wholly owned subsidiary Oracle Oil& Gas LLP. During the year ended December 31, 2020, the Directors, Officers or NEO's entered into Debt Deferral Agreements to defer 75% of the remaining amounts owed to them to be paid in three equal installments from each of the first three private placements completed by the Company subsequent to the first anniversary date of completion of a proposed transaction with Methanogenesis Corporation.

## INCENTIVE PLAN AWARDS

### OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

There were no Stock options issued and outstanding as at the Year ended December 31, 2020. All outstanding options previously issued were cancelled via an Irrevocable Offer to Cancel provided to the Company by each option holder. There were no options exercised during the years ended December 31, 2020, or December 31, 2019.

### INCENTIVE PLAN AWARDS VALUE VESTED OR EARNED

There were no incentive stock options granted during the years ended December 31, 2020 or December 31, 2019. All options granted to directors, officers, and NEO during the year ended December 31, 2018 were cancelled in 2020 with none being exercised.

## PENSION PLAN BENEFITS

The Company does not have a pension plan or provide any benefits following or in connection with retirement.

### TERMINATION AND CHANGE OF CONTROL BENEFITS

Neither the Company or any of its subsidiaries has any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of employment of the executive officers' employment with the Company and its subsidiaries or from a change of control of the Company or any subsidiary of the Company or a change in the executive officers' responsibilities following a change in control.

### EQUITY COMPENSATION PLAN INFORMATION

	Number of securities to be issued upon exercise of outstanding options (#)	Weighted-average exercise price of outstanding options (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	Nil	Nil	1,346,448
Equity compensation plans <i>not</i> approved by securityholders	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	1,346,448

### DEFINED BENEFIT OR ACTUARIAL PLAN

The Company does not have a defined benefit or actuarial plan.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction which, in either case, has or will materially affect the Company other than as disclosed herein.

### INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or senior officers of the Company or any associates or affiliates of the Company are or have been indebted to the Company at any time since the beginning of the last completed financial year of the Company.

### MANAGEMENT CONTRACTS

During the Company's most recently completed financial year ended December 31, 2020 there were no management functions or signed management contracts of the Company, which were to any substantial degree performed by a person other than a director or senior officer of the Company.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### A. Election of Directors

Although Management is only nominating four (4) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the

shares represented by Proxy will, on a poll, be voted for the nominees herein listed. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

<b>Name and Residence of Proposed Directors and Present Offices Held</b>	<b>Date Elected or Appointed a Director</b>	<b>Principal Occupation</b>	<b>Number of Shares<sup>(1)</sup></b>
James Ladner Thalwil, Switzerland	July, 2007	Mr. Ladner is a Zurich based professional company director and financial consultant. He is a graduate of the University of St. Gallen, Switzerland, in economics and business administration. Mr. Ladner is a director of several Swiss companies. He previously served on the boards of Energy Capital Investment Company and Equator Exploration Ltd. as well as on the boards of several Canadian and British mineral exploration companies. In Switzerland Mr. Ladner started his career as a banking executive in the National Westminster Bank group followed by non-executive directorships at Bank Austria and the Royal Bank of Scotland AG.	96,533
Loren Currie CEO Vancouver, Canada	July, 2019	Loren Currie has over 20 years' experience holding executive corporate positions in the Canadian public markets. Mr. Currie served as Company Secretary of Oracle Energy Corp., from January 2011 to November 2014. He served as the Chief Financial Officer of Oracle Energy Corp. from October 2004 to June 2012. He served as the Chief Financial Officer, Secretary and President at Toba Industries Ltd. He served as a Secretary of Brand Marvel Worldwide Consumer Products Corporation. He served as a Director of Oracle Energy Corp. from October 2004 to February 2015. He is also a director of Vatic Ventures Corp.	Nil



Pieter Bakker Vancouver, Canada	November, 2019	Pieter Bakker has a BA in Economics and a MA in Political Science from Leiden University. He has 10 years' experience in the mineral resource industry. He has been an analyst for public and private mineral exploration and development companies, primarily focusing on projects in Southeast Asia, and has helped raise capital for junior mineral exploration companies. Mr. Bakker consults on industrial, precious and base metals mineral projects, providing commodity and market analyses.	Nil
Jeff Calvert Vancouver, Canada	November, 2019	Jeff Calvert, P.Eng., is a professional engineer licensed in Ontario with a degree in mechanical engineering from the University of Western Ontario and MBA with more than 25 years' experience in technical sales & marketing, management and M&A in the pulp & paper, biotechnology and climate change mitigation industries. He has served as CEO of two early stage ventures and been CFO and corporate secretary of a TSX-V listed company. Mr. Calvert provides M&A, corporate restructuring, strategic and financial advisory services to early stage publicly listed and private companies.	Nil

<sup>1</sup> Information as to voting shares beneficially owned or control or direction, not being within the knowledge of the Company, has been furnished by the respective nominees individually.

#### *Corporate Cease Trade Orders or Bankruptcies*

Other than as described below, as at the date of this Information Circular and within the ten years before the date of this Information Circular, no director, officer or promoter of the Resulting Issuer is or has been a director, officer or promoter of any person or company (including the Resulting Issuer), that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) 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.

#### Loren Currie, CEO & Director, Vatic Ventures Corp.

On August 18, 2020, the British Columbia Securities Commission (the "BCSC") (the Principal Regulator) and Ontario (each a Decision Maker) respectively issued a failure-to-file cease trade order (the "FFCTO") to Vatic Ventures Corp.

The FFCTO was issued due to the failure of the Company to file its annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended February 29, 2020 (the "Unfiled Documents"). Subsequent to the failure to file the Unfiled Documents, Vatic Ventures Corp. had not filed any further financial statements or any continuous disclosure documents required by applicable securities legislation (together with the Unfiled Documents, the "Unfiled Continuous Disclosure"). On March 22, 2021, the BCSC issued an order revoking the cease trade order issued against Vatic Ventures Corp. In conjunction with the filing of the Unfiled Documents, and the Unfiled Continuous Disclosure documents (collectively, the "Financial Disclosure Documents"), the BCSC has fully revoked the FFCTO.

#### *Penalties or Sanctions*

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

- (a) been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

#### *Personal Bankruptcies*

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of such persons, has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of that individual.

#### *Conflicts of Interest*

Conflicts of interest may arise as a result of the directors and officers of the Resulting Issuer holding positions as directors or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies under the BCBCA or other applicable corporate legislation.

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.

The board of directors have appointed the audit committee. There are no other committees.

Pursuant to the provisions of the *Business Corporations Act* of British Columbia, the Company is required to have an Audit Committee which, at the present time, is comprised of James Ladner (independent), Jeff Calvert (independent) and Loren Currie.

## **B. Audit Committee**

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

#### *Mandate*

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

accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements; (ii) review and appraise the performance of the Company's external auditors; and (iii) provide an open avenue of communication among the Company's auditors, financial and senior management and the board of directors.

### *Composition*

The Committee shall be comprised of three directors as determined by the board of directors, the majority of whom shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

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

### *Meetings*

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

### *Responsibilities and Duties*

To fulfil its responsibilities and duties, the Committee shall:

#### Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.

#### External Auditors

- (a) Review annually the performance of the external auditors who shall be ultimately accountable to the board of directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

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

#### Financial Reporting Processes

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

*Composition of the Audit Committee*

The following are the members of the Committee:

- Loren Currie (not independent)      Financially literate\*
- James Ladner (independent)          Financially literate\*
- Jeff Calvert (independent)           Financially literate\*

\* As defined by Multilateral Instrument 52-110 (“MI 52-110”).

*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 of directors of the Company.

*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 Auditor Service Fees (By Category)*

The aggregate fees billed by the Company’s external auditors in each of the 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>
2020	15,000	NIL	2,500	300
2019	23,500	NIL	1,250	287

**C. Appointment of Auditor**

Members will vote for the appointment of Smythe LLP, Chartered Professional Accountants, of Suite 1700, 475 Howe Street, Vancouver, B.C. V6C 2B3 as Auditor of the Company for the ensuing year, until the close of the next Annual General Meeting of the Members at remuneration to be fixed by the Directors.

**Exemption**

The Company is relying upon the exemption in section 6.1 of National Instrument 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations under NI 52-110.

**D. Statement Of Corporate Governance Practices**

Corporate governance relates to the activities of the board of directors (the “Board”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Board is of the view that the Company’s general approach to corporate governance, summarized below, is appropriate and substantially consistent with objectives reflected in the guidelines for improved corporate governance in Canada adopted by the Canadian Securities Administrators (the “National Guidelines”).

## **Board of Directors**

### *Structure and Compensation*

The Board is currently composed of four directors.

The National Guidelines suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “unrelated” directors. An “unrelated” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, the National Guidelines suggest that the board of directors should include a number of directors who do not have interests in either the Company or the significant shareholder. Of the proposed nominees, two are considered by the Board to be “unrelated” within the meaning of the Exchange Guidelines and four are “inside” or management directors and accordingly considered to be “related”. In assessing the Exchange Guidelines and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

### *Mandate of the Board*

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the board oversees the management of the Company’s affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources.

### *Meetings of the Board*

The Board also holds a meeting each year to review and assess the Company’s financial budget and business plan for the ensuing year and its overall strategic objectives. This process establishes, among other things, benchmarks against which the Board may measure the performance of management. Other meetings of the Board are called to deal with special matters as circumstances require.

## **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 and Chief Executive Officer. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

## **Compensation**

The directors decide as a Board the compensation for the Company’s officers, based on industry standards and the Company’s financial situation. The directors currently do not receive any remuneration for their acting in such capacity.

### Other Directorships

The following directors are also currently directors of reporting issuers, other than the Company:

Director	Reporting Issuer
Loren Currie	Vatic Ventures Corp. (NEX)

### Other Matters

The Board has not adopted any formal steps to orient new board members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct; but does promote ethical business conduct through the nomination of board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its board members independent of corporate matters.

The Board has not established any committees other than its audit committee, compensation committee and corporate governance & nominating committee. All decisions are made by full board of director meetings or consent resolutions.

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Company feels its corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company's method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Stock Option Plan and Incentive Stock Options

The Exchange's policies require that each company listed on the Exchange have a stock option plan if the company issues common shares pursuant to the exercise of stock options. Shareholders approved the adoption of the Company's current 10% rolling option plan (the "Existing Plan") at a previous annual general meeting.

The following is a summary of the material terms of the Stock Option Plan:

- (a) directors, officers, employees and consultants of the Company, or to person engaged in investor relations activities on behalf of the Company or any of its subsidiaries are eligible to receive grants of options under the Stock Option Plan;
- (b) a number of common shares equal to ten (10%) percent of the issued and outstanding common shares in the capital stock of the Company from time to time are reserved for the issuance of stock options;
- (c) the exercise price of any options granted is determined by the Board in its sole discretion as of the date the Board grants the options, and shall not be less than the last closing price of the Company's common shares traded through the facilities of the Exchange prior to the grant of the options, less any discount permitted by the Exchange, or such other price as may be required by the Exchange;
- (d) options granted under the Stock Option Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;

- (e) an optionee's options expire one year (or such other time, not to exceed one year, as shall be determined by the Board) after the date the optionee ceases to be eligible to receive options; and
- (f) notwithstanding the foregoing, if an optionee dies, any vested options held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option.

Under the Stock Option Plan, the number of common shares which may be reserved for issue: (i) to any one optionee who is an insider and any associates of such insider, shall not exceed 5% of the outstanding issue; and (ii) to all persons who undertake investor relations activities, shall not exceed 2% of the outstanding issue. "Outstanding issue" is determined on the basis of the number of common shares that are outstanding immediately prior to the common share issuance in question.

Management has recommended that you vote **FOR** the Company's adoption of the Stock Option Plan containing among other things, provisions consistent with the current policies of the Exchange. The Stock Option Plan is also subject to Exchange approval. Unless otherwise instructed, Common Shares represented by proxies in favour of management will be voted FOR the Company's adoption of the Stock Option Plan.

### **Move to the Canadian Securities Exchange**

The Company is contemplating moving its listing from the NEX Board of the TSX Venture Exchange to the Canadian Securities Exchange (the "CSE"). The Company believes that the Company is better suited to the CSE, that the move would help advance the Company's business, and that the move would be in the best interest of the Company's shareholders. At the meeting shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the following ordinary resolutions:

#### **RESOLVED THAT:**

1. The directors of the Company be permitted, at their discretion, to move the Company's listing from the TSX Venture Exchange to the CSE; and
2. Any director or officer of the Company be and is hereby authorized and directed to take all such action and execute and deliver all such documents as any such director or officer may, in his or her sole discretion, determine are necessary, desirable or useful to implement the foregoing resolutions.

The Board recommends that Shareholders vote **FOR** the Company's contemplated move to the CSE. Unless otherwise instructed, Common Shares represented by proxies in favour of management will be voted FOR the Company's contemplated move to the CSE.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is included in the Company's audited comparative financial statements for the years ended December 31, 2020, December 31, 2019, and December 31, 2018, and the accompanying auditor's reports and related management discussion and analyses. Copies of the Company's annual financial statements and the most current interim financial statements and related management discussion and analyses, and additional copies of this proxy circular, may be obtained from SEDAR at [www.sedar.com](http://www.sedar.com) and upon request from the Company's Secretary at the address of the Company.

### **OTHER MATTERS**

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Information Circular.

### **APPROVAL**

The content and sending of this Information Circular has been approved by the Company's board of directors. The



foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

**DATED** at Vancouver, B.C., the 29th day of June, 2021.

**BY ORDER OF THE BOARD**

*“Loren Currie”*  
CEO