

**TRANSITION OPPORTUNITIES CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF THE SHAREHOLDERS OF TRANSITION OPPORTUNITIES CORP.  
TO BE HELD ON JULY 23, 2025**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED JUNE 23, 2025**

*This management information circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult your financial, legal, tax or other professional advisor.*

**TRANSITION OPPORTUNITIES CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JULY 23, 2025**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Shares**”) of Transition Opportunities Corp. (the “**Corporation**”) will be held in person at Suite 1900, 520 – 3 Avenue SW, Calgary, Alberta, T2P 0R3 on July 23, 2025 at 10:00 a.m. (Calgary time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the years ended May 31, 2023 and May 31, 2024, together with the notes thereto and the auditors’ report thereon;
2. to fix the number of directors to be elected at the Meeting at four (4);
3. to elect the board of directors of the Corporation (the “**Board**”) to hold office until the next annual meeting of the Shareholders or until their successors are duly elected or appointed;
4. to re-appoint MNP LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year at such remuneration as may be fixed by the Board;
5. to ratify and approve the Corporation’s stock option plan (the “**Plan**”) and authorize the directors to make such changes to the Plan as may be required by the TSX Venture Exchange without further Shareholder approval; and
6. to transact any other business as may properly be brought before the Meeting or any adjournment(s) or postponement thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the Information Circular of the Corporation accompanying this Notice of Meeting.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be valid, the proxy must be received by Odyssey Trust Company, 702 – 67 Yonge Street, Toronto, Ontario M5E 1J8 (Attention: Proxy Department), not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the Meeting or any adjournment or postponement thereof. Registered Shareholders may also use the Internet (<https://login.odysseytrust.com>) to vote their Common Shares.**

If you are an unregistered Shareholder and received these materials through your broker or another intermediary, please complete and return the form of proxy or voting instruction form provided to you by such broker or through another intermediary, in accordance with the instructions provided. Late forms of proxy may be accepted or rejected by the Chairman of the Meeting in his sole discretion and the Chairman is under no obligation to accept or reject any particular late form of proxy.

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no amendments, variations, or other matters to come before the Meeting other than the matters set forth in this Notice of Meeting. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

The record date for determination of the Shareholders entitled to receive notice of and to vote at the Meeting is June 23, 2025 (the “**Record Date**”). Subject to certain exceptions, only the Shareholders whose names have been entered in the register of Common Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

**DATED** as of June 23, 2025.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
TRANSITION OPPORTUNITIES CORP.**

*(signed) “John Pantazopoulos”*

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John Pantazopoulos  
Chief Executive Officer  
Transition Opportunities Corp.

**TRANSITION OPPORTUNITIES CORP.**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JULY 23, 2025**

**MANAGEMENT INFORMATION CIRCULAR**

**GENERAL**

This management information circular (the “**Information Circular**”) is furnished to holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Transition Opportunities Corp. (the “**Corporation**”) in connection with the solicitation of proxies and voting instruction forms by the management of the Corporation for use at the annual general and special meeting (the “**Meeting**”) of Shareholders to be held on July 23, 2025 at 10:00 a.m. (Calgary time) in person at Suite 1900, 520 – 3 Avenue SW, Calgary, Alberta, T2P 0R3 for the purposes set forth in the accompanying Notice of Meeting (the “**Notice of Meeting**”).

The information contained herein is given as of June 23, 2025, except where otherwise indicated. Enclosed herewith is a form of proxy or voting instruction form for use at the Meeting. Each Shareholder entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and Shareholders are urged to vote on matters to be considered in person or by proxy.

Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Information Circular.

If you hold Common Shares through a broker, investment dealer, bank, trust company, nominee or other intermediary (collectively, an “**Intermediary**”), you should contact your Intermediary for instructions and assistance in voting the Common Shares that you beneficially own.

**Persons Making the Solicitation**

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation of both the form of proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Notice of Meeting, this Information Circular and the form of proxy have been sent by the Corporation to its registered Shareholders (Shareholders holding a paper share certificate or Direct Registration Statement registered in their name) and the Corporation has also sent such proxy-related materials directly to those unregistered (beneficial) Shareholders that have consented to the release of their addresses to the Corporation (“**NOBOs**”).

The Corporation does not intend to pay for intermediaries such as stockbrokers, securities dealers, banks, trust companies, clearing agencies, trustees and their agents and nominees (“**Intermediaries**”) to deliver proxy-related materials or Form 54-101F7 –*Request for Voting Instructions Made by Intermediary* to the beneficial

Shareholders that have refused to release their addresses to the Corporation (“**OBOs**”) and as such, OBOs will not receive such materials unless their Intermediary assumes the costs thereof.

The OBOs and NOBOs are herein collectively referred to as the “**Non-Registered Shareholders**”. See also “*Proxy Related Information – Advice to Non-Registered Shareholders*” in this Information Circular.

The Corporation will not be providing the Notice of Meeting, the Information Circular or the form of proxy to registered Shareholders or Non-Registered Shareholders through the use of notice-and-access, as such term is defined in NI 54-101.

## **PROXY RELATED INFORMATION**

### **Appointment and Revocation of Proxies**

Those Shareholders desiring to be represented at the Meeting by proxy must deposit their respective forms of proxy with Odyssey Trust Company (“**Odyssey**”), 702 – 67 Yonge Street, Toronto, Ontario M5E 1J8 (Attention: Proxy Department), not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the Meeting or any adjournment or postponement thereof. A proxy must be executed by the Shareholder or by his attorney authorized in writing, or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment or postponement of the Meeting.

Registered Shareholders may also use the internet (<https://login.odysseytrust.com>) to vote their Common Shares. Shareholders will be prompted to enter the control number which is located on the form of proxy when voting by the internet. Votes by the internet must be received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time of the Meeting or any adjournment or postponement thereof. The Internet may also be used to appoint a proxyholder to attend and vote at the Meeting on the Shareholder’s behalf and to convey a Shareholder’s voting instructions.

**The Corporation may refuse to recognize any instrument of proxy deposited in writing or by the Internet received later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the Meeting or any adjournment or postponement thereof.**

**The persons named in the enclosed form of proxy are officers and directors of the Corporation. Each Shareholder submitting a proxy has the right to appoint a person, who need not be a Shareholder, to represent them at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. A Shareholder may exercise this right by inserting the name of the desired representative in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, depositing the proxy with Odyssey, at the place and within the time specified above for the deposit of proxies.**

A Shareholder who has given a proxy has the power to revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing signed by the Shareholder or by the Shareholder’s attorney authorized in writing, and either delivered to Odyssey at the place specified above at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or deposited with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof.

## Exercise of Discretion

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the Shareholder where voting is by way of a show of hands or by ballot and, if the Shareholder specifies a choice with respect to any matter to be voted upon, the Common Shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instructions, the persons whose names appear on the enclosed form of proxy will vote in favour of the matters set forth in the Notice of Meeting and in this Information Circular.**

**The enclosed form of proxy confers discretionary authority on the persons named therein with respect to any amendments or variations of those matters specified in the form of proxy and Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting or any adjournment or postponement thereof. If any such amendment, variation or other matter should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxies in accordance with their best judgment, unless the Shareholder has specified to the contrary or that Common Shares are to be withheld from voting. At the time of printing this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.**

## Advice to Non-Registered Shareholders

**The information in this section is of significant importance to Non-Registered Shareholders, as most Shareholders do not hold their Common Shares in their own name.** Non-Registered Shareholders are advised that only proxies from Shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms).

### *Voting by Non-Registered Shareholders*

Common Shares held by brokers, or their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, brokers and their nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held, and directors and officers of the Corporation do not necessarily know for whose benefit the Common Shares registered in the name of any Intermediary are held.

Applicable regulatory policy requires brokers and other Intermediaries to seek voting instructions from Non-Registered Shareholders in advance of Shareholders' meetings. Every broker and other Intermediary has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied by brokers and other Intermediaries to Non-Registered Shareholders may be very similar and, in some cases, identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Shareholder.

In Canada, the vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the

Internet or telephone, for example). 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 Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.** If you have any questions respecting the voting of Common Shares held through a broker or other Intermediary, please contact that broker or other Intermediary for assistance.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker or other Intermediary, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder that holds the Non-Registered Shareholder's Common Shares and vote those Common Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form 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.**

**Non-Registered Shareholders should contact their broker or other Intermediary through which they hold Common Shares if they have any questions regarding the voting of such Common Shares.**

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors of the Corporation.

Certain directors and officers of the Corporation hold Options (as defined herein). At the Meeting, Shareholders will be asked to approve and adopt an ordinary resolution relating to the approval of the Option Plan (as defined herein). See "*Matters to be Acted Upon – Approval of the Stock Option Plan*" in this Information Circular.

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

##### **Voting Rights**

The authorized share capital of the Corporation consists of an unlimited number of voting Common Shares and an unlimited number of preferred non-voting shares ("**Preferred Shares**") without nominal or par value and issuable in series. As at the date of this Information Circular, there are 10,000,000 Common Shares currently issued and outstanding, and no Preferred Shares issued and outstanding. Shareholders of the Record Date (as defined herein) are entitled to receive notice of and attend and vote at the Meeting.

**Each Shareholder will be entitled to one vote at the Meeting for each Common Share held by them on the Record Date.**

##### **Record Date**

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof is June 23, 2025 (the "**Record Date**").

The Corporation will prepare or cause to be prepared a list of the Shareholders recorded as holders of Common Shares on its register of Shareholders as of the close of business on the Record Date, each of whom shall be entitled to vote the Common Shares shown opposite their name on the list at the Meeting or any adjournment or postponement thereof. **To the extent a Shareholder transfers the ownership of any of its Common Shares after the Record Date and the transferee of those Common Shares establishes that it owns such Common Shares and requests, at least ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Common Shares at the Meeting.**

In addition, persons who are Non-Registered Shareholders as of the Record Date will be entitled to exercise their voting rights in accordance with the procedures established under NI 54-101. See “*Proxy Related Information – Advice to Non-Registered Shareholders*” in this Information Circular.

### Principal Holders of Common Shares

To the knowledge of the directors and executive officers of the Corporation, no person or company, other than those listed below, beneficially owns, or controls or directs, directly or indirectly, 10% or more of the voting rights attached to all the issued and outstanding Common Shares as at the date of this Information Circular.

Name of Shareholder	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
John Pantazopoulos	1,000,000 Common Shares (10%) <sup>(2)</sup>
Xiaodi Jin	1,000,000 Common Shares (10%) <sup>(2)</sup>
Kevin Staveley	1,000,000 Common Shares (10%) <sup>(2)</sup>
Jeff Davison	1,000,000 Common Shares (10%) <sup>(2)</sup>
James Olesko	1,000,000 Common Shares (10%) <sup>(3)</sup>

#### Notes:

- (1) Percentage of Common Shares beneficially owned is calculated based on an aggregate of 10,000,000 Common Shares issued and outstanding as of the Record Date.
- (2) As of the date of this Information Circular, on a fully diluted basis, assuming the exercise of all outstanding warrants and options, such shareholder will be the registered holder of 1,250,000 Common Shares (11.36%).
- (3) As of the date of this Information Circular, on a fully diluted basis, assuming the exercise of all outstanding warrants and options, Mr. Olesko will be the registered holder of 1,000,000 Common Shares (9.09%).

### Quorum

Under the by-laws of the Corporation, the quorum for the Meeting is two persons holding or representing by proxy not less than five per cent (5%) of the outstanding shares of the Corporation entitled to vote at the Meeting.

### MATTERS TO BE ACTED UPON

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

### Financial Statements

At the Meeting, the audited financial statements of the Corporation for the years ended May 31, 2023 and May 31, 2024, together with the notes thereto and the independent auditor’s report thereon (the “**Financial Statements**”) will be presented. No vote by the Shareholders with respect to the Financial Statements is required or proposed to be taken. The Financial Statements are attached hereto as Schedule “A” and are available under the Corporation’s profile on SEDAR + at [www.sedarplus.com](http://www.sedarplus.com).

### **Fixing Number of Directors**

At the Meeting, it will be proposed that four (4) directors be elected to hold office for the next ensuing year, subject to the provisions of the Corporation's articles and by-laws relating to subsequent appointments by the Board. Management therefore intends to place before the Meeting, for approval a resolution setting the number of directors to be elected until the next annual meeting of Shareholders, subject to the articles and by-laws of the Corporation relating to subsequent appointments by the Board, at four (4) members.

The foregoing must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy or voting instruction form to vote in favour of the ordinary resolution setting the number of directors to be elected at the Meeting at four (4).**

### **Election of Directors**

The Corporation currently has four (4) directors, all of whom are being nominated for re-election. It is proposed that the number of directors for the following year be set at the same number. This requires the approval of the Shareholders by an ordinary resolution, which approval will be sought at the Meeting.

The directors of the Corporation are elected annually. At the Meeting, Shareholders will be asked to elect the four (4) nominees set forth in the table below as directors of the Corporation. Each of the nominees elected as a director of the Corporation will hold office until the next annual general meeting of Shareholders or until a successor is duly elected or appointed or their office is vacated earlier in accordance with the articles and by-laws of the Corporation and the provisions of the *Business Corporations Act* (Alberta).

Each director nominee will be elected on an individual basis and not as a member of a slate. Management does not contemplate that any of such nominees will be unable to serve as directors.

The following is a brief description of the nominees, including the name and province or state and country of residence of each of the nominees, the date each first became a director of the Corporation, their principal occupation and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each of the foregoing as of the date of this Information Circular.

The foregoing must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the election of the below named nominees as directors of the Corporation is in the best interests of the Corporation and recommends that the Shareholders vote IN FAVOUR of electing the nominees. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy or voting instruction form to vote in favour of the election of the nominees set forth in the table below as directors of the Corporation.**

Name and Province/State and Country of Residence	Director Since	Principal Occupation	Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
<b>John Pantazopoulos</b> <sup>(2)</sup> <i>Director, CEO, and CFO</i> Calgary, Alberta, Canada	November 1, 2021	Mr. Pantazopoulos is an independent businessperson and, in addition to his roles at the Corporation, Mr. Pantazopoulos serves as the Chairperson of the Board of E3 Lithium Ltd., a lithium resource and technology company, and as the Chief Executive Officer of Lucky Strike Energy Ltd., a junior oil and gas producer.	1,000,000
<b>Xiaodi Jin</b> <i>Director and Corporate Secretary</i> Calgary, Alberta, Canada	November 1, 2021	Mr. Jin is an independent businessman.	1,000,000
<b>Kevin Staveley</b> <sup>(2)</sup> <i>Director</i> Calgary, Alberta, Canada	November 1, 2021	Mr. Staveley is the Vice President of Supply Chain at AltaGas Ltd., a senior North American energy infrastructure company, where he has global accountability for the supply chain function across all businesses within AltaGas.	1,000,000
<b>Jeff Davison</b> <sup>(2)</sup> <i>Director</i> Calgary, Alberta, Canada	November 1, 2021	Mr. Davison is the Chief Executive Officer of the Prostate Cancer Centre, an Alberta based health not-for-profit dedicated to providing wrap around clinical support, education and resources to help men navigate the complex world of prostate cancer, and to empower them to make informed decisions about their health and wellness with pre and post-surgery care options.	1,000,000

**Notes:**

- (1) Information respecting the number of Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, as at the date of this Information Circular has been furnished to the Corporation by the above named individuals.
- (2) A member of the audit committee.

*Cease Trade Orders*

Other than as disclosed below, to the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) is or has been within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any corporation (including the Corporation), that: (i) was subject to a cease trade order (including a voluntary or involuntary cease trade order applying to some or all of the management of a corporation), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than thirty (30) consecutive days (collectively, an “**Order**”), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Jeff Davidson is a Director of Magnetic North Acquisition Corp., which is presently subject to a management cease trade order issued by the Alberta Securities Commission on May 9, 2025, due to a failure to file its audited annual financial statements, management’s discussion and analysis and related certifications for the year ended

December 31, 2024. As of the date of this Information Circular, this management cease trade order has not been rescinded.

#### *Bankruptcies*

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons): (i) is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information Circular, a director or executive officer of any corporation (including the Corporation) 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 (ii) has, within the ten (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.

#### *Penalties and Sanctions*

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

#### **Appointment of Auditors**

Management of the Corporation intends to nominate MNP LLP (“MNP”), Chartered Professional Accountants, for re-appointment as the auditors of the Corporation, to hold office for the ensuing year until the close of the next annual general meeting of Shareholders or until MNP is removed from office or resigns, at a remuneration to be fixed by the Board. MNP have been the auditors of the Corporation since its inception on November 1, 2021.

The foregoing must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the re-appointment of MNP as auditors of the Corporation is in the best interests of the Corporation and recommends that the Shareholders vote IN FAVOUR of re-appointing MNP as auditors. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy or voting instruction form to vote in favour of the election of MNP as auditors of the Corporation.**

#### **Approval of Stock Option Plan**

The Corporation has adopted an incentive stock option plan (the “**Option Plan**”), substantially in the form attached as Schedule “B” to this Information Circular, which provides that the Board may from time to time, in its discretion, and in accordance with TSX Venture Exchange (“**TSXV**”) requirements, grant to directors, officers, employees and consultants to the Corporation, non-transferable options (“**Options**”) to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed ten per cent (10%) of the issued and outstanding Common Shares of the Corporation. Such Options will be exercisable for a period of up to ten (10) years from the date of grant. In connection with the foregoing, the Option Plan provides that: (i) no more than five per cent (5%) of the issued shares of the Corporation will be granted to any individual in any twelve (12) month period; (ii) no more than two per cent (2%) of the issued shares of the Corporation will be granted to any single consultant in any twelve (12) month period; and (iii) no more than an aggregate of two

per cent (2%) of the issued shares of the Corporation will be granted to all persons retained to provide investor relations activities in any twelve (12) month period.

Options must be exercised within twelve (12) months following cessation of the optionee's position with the Corporation unless the optionee was engaged in investor relations activities, in which case such exercise must occur within thirty (30) days after the cessation of the optionee's services to the Corporation, provided that if the cessation of office, employment, directorship, or consulting arrangement was by reason of death, the Option may be exercised within a maximum period of one (1) year after such death, subject to the expiry date of such Option.

The exercise price of the Options shall be determined by the Board at the time any Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the TSXV. Subject to any vesting restrictions imposed by the TSXV, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.

Pursuant to the policies of the TSXV, stock option plans which reserve for issuance up to ten per cent (10%) of a listed company's shares must be approved annually by shareholders of the listed corporation. This approval is being sought at the Meeting.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the Option Plan. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Option Plan is as follows:

**“BE IT HEREBY RESOLVED** as an ordinary resolution that:

1. the stock option plan of the Corporation, substantially in the form attached as Schedule “B” to the Information Circular (the “**Option Plan**”), be and is hereby approved and adopted as the stock option plan of the Corporation;
2. any one director or officer may amend the form of the Option Plan in order to satisfy the requirements or requests of any regulatory authorities, including the TSXV, without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution approving the Option Plan for the ensuing year.**

#### **Other Business**

Management is not aware of any other matters to come before the Meeting, other than those set out in the Notice of Meeting. **If other matters come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the same in accordance with their best judgment in such matters.**

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Corporation is currently a capital pool company (“CPC”). Pursuant to Policy 2.4 of the TSXV, and until the Corporation completes a Qualifying Transaction (as such term is defined in Policy 2.4 of the TSXV), no compensation of any kind may be provided to the Corporation’s directors or officers, directly or indirectly, by any means, including payment of salary, other than compensation that may be provided by way of Options pursuant to the Corporation’s Option Plan.

The Corporation chooses to issue Options to maintain a competitive position in the CPC marketplace and because it is the only permissible form of compensation that may be awarded to its directors and officers while it is a CPC.

The objective and purpose of any Option reward is to encourage the Corporation’s directors and officers to find a Qualifying Transaction that is in the best interest of the Shareholders. If a Qualifying Transaction is not successfully completed, or if one is completed that does not increase the value of the Common Shares during the term of the Option, the directors and officers will receive no benefit, or very little benefit, from any Options.

With respect to the grant of Options, the Chief Executive Officer of the Corporation recommends to the Board the individual equity incentive awards for each executive officer and director. The Board then takes these recommendations into consideration when making final decisions on compensation for those executive officers. The Board does not use formulas or benchmarks for each grant but is restricted by the policies of the TSXV and the terms of the Option Plan in how many Options it may grant. Options under the Option Plan are awarded to executive officers by the Board based upon the level of responsibility and contribution of the individuals towards the Corporation’s goals and objectives. Previous grants of Options to a particular individual will be taken into account when considering future grants of Options to that particular individual.

Following the completion of a Qualifying Transaction by the Corporation, if any, it is anticipated that the Corporation will pay compensation to its directors and officers in accordance with industry standards, depending on the nature and size of the particular business that the Corporation acquires in connection with any Qualifying Transaction that it may complete.

### **Risks of Compensation Policies and Practices**

The Corporation’s compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Board noted the following facts that discourage the Corporation’s executives from taking unnecessary or excessive risk: (i) the Corporation’s business strategy and related compensation philosophy; and (ii) the effective balance, in each case, between near-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

Based on this review, the Board believes that the Corporation’s total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

### **Financial Instruments**

The Corporation has not implemented any policies which restrict its executive officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

## **Compensation Governance**

For a discussion on policies and practices by the Board to determine the compensation of the Corporation's directors and executive officers, see "*Executive Compensation – Compensation Discussion and Analysis*" in this Information Circular. The Corporation has not established a compensation committee and does not intend to do so before the completion of a Qualifying Transaction, if any.

## **Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans**

The Corporation currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its Named Executive Officers or directors of the Corporation.

"**Named Executive Officer**" is defined by the legislation to mean: (i) each of the Chief Executive Officer and Chief Financial Officer of the Corporation; (ii) each of the Corporation's four (4) most highly compensated executive Officers, or the four (4) most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation exceeds \$150,000 for that financial year; and (iii) each individual for whom disclosure would have been provided under (iv) but for the fact that the individual was not serving as an Executive Officer of the Corporation at the end of the most recently completed financial year ended of the Corporation.

"**Executive Officer**" is defined by the legislation to mean: (i) the chair, vice-chair or president of the Corporation; (ii) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production; or (iii) an individual performing a policy-making function in respect of the Corporation.

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

Securities legislation requires the disclosure of compensation received by each Named Executive Officer of the Corporation for the two (2) most recently completed financial years. The Corporation is currently a CPC and pursuant to Policy 2.4 of the TSXV, and until the Corporation completes a Qualifying Transaction, no compensation of any kind may be provided to the Corporation's directors or officers, directly or indirectly, by any means, including payment of salary, other than compensation that may be provided by way of options to purchase Common Shares in the Corporation pursuant to the Option Plan, a copy of which is attached hereto as Schedule "B". As of the date hereof, none of the Corporation's Named Executive Officers or directors have received any salary, share-based awards, non-equity incentive plan compensation, pension value or other compensation other than Option-based awards from the Corporation.

## **External Management Companies**

The Corporation has no management contracts or other arrangement in place where management functions are performed by a person or company other than the directors or executive officers of the Corporation.

## **Stock Options and Other Compensation Securities**

The following table provides information regarding all compensation securities granted or issued to each Named Executive Officer and director of the Corporation:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing Price of security or underlying security		Expiry Date
					On date of grant (\$)	At year end (\$)	
<b>John Pantazopoulos</b> <i>Director, CEO, and CFO</i>	Stock Option	125,000	November 24, 2021	\$0.05	\$0.05	\$0.15	November 24, 2026
	Stock Option	125,000	April 21, 2022	\$0.10	\$0.10	\$0.15	April 21, 2027
<b>Xiaodi Jin</b> <i>Director and Corporate Secretary</i>	Stock Option	125,000	November 24, 2021	\$0.05	\$0.05	\$0.15	November 24, 2026
	Stock Option	125,000	April 21, 2022	\$0.10	\$0.10	\$0.15	April 21, 2027
<b>Kevin Staveley</b> <i>Director</i>	Stock Option	125,000	November 24, 2021	\$0.05	\$0.05	\$0.15	November 24, 2026
	Stock Option	125,000	April 21, 2022	\$0.10	\$0.10	\$0.15	April 21, 2027
<b>Jeff Davison</b> <i>Director</i>	Stock Option	125,000	November 24, 2021	\$0.05	\$0.05	\$0.15	November 24, 2026
	Stock Option	125,000	April 21, 2022	\$0.10	\$0.10	\$0.15	April 21, 2027

No compensation securities were exercised by any director or Named Executive Officer during the financial year ended May 31, 2024.

### Stock Option Plans and Other Incentive Plans

The Corporation has no other incentive plans other than the Option Plan. See “*Matters to be Acted Upon at the Meeting – Approval of the Stock Option Plan*” in this Information Circular.

### Employment, Consulting and Management Agreements

As at the Record Date, the Corporation did not have any plan, contract or arrangement, compensatory or otherwise: (i) regarding the employment of a Named Executive Officer; or (ii) whereby a Named Executive Officer is entitled to receive more than \$100,000 (including periodic payments or instalments) in the event of the Named Executive Officer’s resignation, retirement or employment, a change of control of the Corporation, or a change in the Named Executive Officer’s responsibilities following a change in control of the Corporation.

Other than as provided for at common law, there is no agreement or arrangement that provides for payments to the Named Executive Officers at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in the Named Executive Officers' responsibilities.

### **Oversight and Description of Director and Named Executive Officer Compensation**

Pursuant to Policy 2.4 of the TSXV, and until the Corporation completes a Qualifying Transaction, no compensation of any kind may be provided to the Corporation's directors or officers, directly or indirectly, by any means, including payment of salary, other than compensation that may be provided by way of Options pursuant to the Corporation's Option Plan.

### **Pension Disclosure**

The Corporation does not have a pension plan or any other plan that provides for payments or benefits at, following or in connection with retirement and is not currently providing a pension to any directors of the Corporation or Named Executive Officers. The Corporation does not have a deferred compensation plan.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth the Corporation's equity compensation plans under which equity securities are authorized for issuance as at May 31, 2024, the end of the most recently completed financial year.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</b>
Equity compensation plans approved by the security holders <sup>(1)</sup>	1,000,000 <sup>(2)(3)</sup>	\$0.075	0
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>1,000,000</b>	<b>N/A</b>	<b>0</b>

#### **Notes:**

- (1) The Option Plan is a "rolling" stock option plan which reserves for issuance a maximum of 10% of the issued and outstanding Common Shares at the time of the Option grant.
- (2) An aggregate of 500,000 Options were granted on November 24, 2021.
- (3) An aggregate of 500,000 Options were granted on April 21, 2022 in connection with the closing of the Corporation's initial public offering.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer or employee of the Corporation, or any proposed nominee director, or any of their respective associates or affiliates, is or has been at any time since the beginning of the last completed fiscal year, indebted to the Corporation or any of its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation or any of its subsidiaries.

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

Other than as set forth herein, the Corporation is not aware of any material interest, direct or indirect, of any “informed person” of the Corporation, any proposed director of the Corporation or any associate or affiliate, of any of the foregoing in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

For the purposes of the above, “informed person” means: (i) a director or executive officer of the Corporation; (ii) a director or executive officer of a company that is itself an informed person or subsidiary of the Corporation; (iii) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (iv) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

There are potential conflicts of interest to which all of the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. All of the directors and officers are engaged in and will continue to be engaged in corporations or businesses, including publicly traded corporations, which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where all of the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Alberta).

## **APPOINTMENT OF AUDITOR**

MNP LLP is the auditor of the Corporation and has been the auditor of the Corporation since its inception on November 1, 2021.

## **MANAGEMENT CONTRACTS**

The Corporation has no management contracts or other arrangement in place where management functions are performed by a person or company other than the directors or executive officers of the Corporation.

## **CORPORATE GOVERNANCE DISCLOSURE**

### **General**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires the Corporation to disclose information about its corporate governance practices that they have adopted. This disclosure must be made in accordance with the corporate governance guidelines contained in National Policy 58-201 *Corporate Governance Guidelines* (“**NI 58-201**”). NI 58-201 provides guidance on corporate governance practices. Corporate governance relates to the activities of 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 Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of the Shareholders and contribute to effective and efficient decision making.

The following information is provided in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* under NI 58-101.

## Board of Directors

The Board, which is responsible for supervising the management of the business and affairs of the Corporation, is currently comprised of four (4) directors. Following the Meeting, it is anticipated that there will be four (4) directors, of which two (2) are independent, as such term is defined in National Instrument 52-110 – *Audit Committees* (“NI 52-110”). The independent directors are Kevin Staveley and Jeff Davison. John Pantazopoulos, the Chief Executive Officer and Chief Financial Officer of the Corporation, and Xiaodi Jin, the Corporate Secretary of the Corporation are not independent by virtue of being an officer of the Corporation.

The Board has not adopted any formal terms of reference or mandate for the Board other than a charter (“**Audit Committee Charter**”) for the audit committee of the Corporation (“**Audit Committee**”) which is attached hereto as Schedule “C”.

The Board has plenary power to manage and supervise the management of the business and affairs of the Corporation and to act in the best interest of the Corporation. The Board is responsible for the overall stewardship of the Corporation and approves all significant decisions that affect the Corporation before they are implemented. The Board also considers their implementation and reviews the results. The Board has the responsibility to participate with management in finding, and ultimately approving, the Corporation’s Qualifying Transaction.

## Directorships

Certain of the Corporation’s directors or nominee directors are currently directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<u>Name of Director</u>	<u>Name of Reporting Issuer</u>	<u>Exchange</u>	<u>Position</u>	<u>Term</u>
John Pantazopoulos	E3 Lithium Ltd.	TSXV	Director	November 2020 to current
Jeff Davison	Magnetic North Acquisition Corp.	TSXV	Director	December 2019 to current

## Orientation and Continuing Education of Board Members

The Corporation currently does not have any formal orientation or continuing education programs in place for new directors, as there have been no changes in Board membership since incorporation. At such time as there is a change in the Board, this policy will be reviewed.

## Ethical Business Conduct

The Board is of the view that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director’s participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

## Nomination of Directors

The size of the Board is reviewed annually when the Board considers the number of directors to recommend for election at the annual meeting of Shareholders. The Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

## **Compensation of Directors and Officers**

Other than Options granted pursuant to the Option Plan, the directors and officers of the Corporation are not currently compensated for acting in such capacities. See “*Executive Compensation*” in this Information Circular.

## **Other Board Committees**

The Board has no standing committees other than the Audit Committee.

## **Assessment of Directors, the Board and Board Committees**

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit Committee, to satisfy itself that the Board, its Audit Committee, and its individual directors are performing effectively.

## **AUDIT COMMITTEE**

The Corporation is subject to NI 52-110, which prescribes certain requirements in relation to audit committees. The following information is provided in accordance with Form 52-110F2 – *Disclosure by Venture Issuers* under NI 52-110.

### **Audit Committee Charter**

The Audit Committee is a committee of the Board established for the purpose of overseeing the accounting and financial reporting processes of the Corporation and annual external audits of the financial statements. The Audit Committee has formally set out its responsibilities and compensation requirements in fulfilling its oversight in relation to the Corporation’s internal accounting standards and practices, financial information, accounting systems and procedures. The Audit Committee Charter is set forth in Schedule “C” attached hereto.

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

The Audit Committee of the Board consists of John Pantazopoulos, Kevin Staveley, and Jeff Davison. Kevin Staveley and Jeff Davison are “independent”, and all members of the Audit Committee are “financially literate”, as such terms are defined in NI 52-110. John Pantazopoulos is not independent by virtue of being an executive officer of the Issuer.

### **Relevant Education and Experience of Audit Committee Members**

#### *John Pantazopoulos*

Mr. Pantazopoulos is an independent businessperson and, in addition to his roles at Transition Opportunities, Mr. Pantazopoulos serves as the Chairperson of the Board of E3 Lithium Ltd., a lithium resource and technology company, as the Chief Executive Officer of Lucky Strike Energy Ltd., a junior oil and gas producer. Mr. Pantazopoulos is a CFA Charterholder and has completed the ICD-Rotman Directors Education Program. Mr. Pantazopoulos holds an Honours Bachelor of Commerce (Finance) from the University of Saskatchewan.

#### *Kevin Staveley*

Mr. Staveley is the Vice President of Supply Chain at AltaGas Ltd., a senior North American energy infrastructure company, where he has global accountability for the supply chain function across all businesses within AltaGas. Mr. Staveley holds a Master of Business Administration from Queens School of Business, a

Bachelor of Science (Business Administration) from City University in Bellevue, Washington, and a Diploma in Mechanical Engineering Design & Manufacturing from the British Columbia Institute of Technology.

*Jeff Davison*

Mr. Davison serves as the Chief Executive Officer of the Prostate Cancer Centre, an Alberta based health not-for-profit dedicated to providing wrap around clinical support, education and resources to help men navigate the complex world of prostate cancer, and to empower them to make informed decisions about their health and wellness with pre and post-surgery care options. Mr. Davison has spent over twenty years with publicly traded companies in the energy, technology and creative services sectors and was elected to Calgary City Council from 2017 - 2021. Mr. Davison is currently on the University of Calgary Board of Governors and Senate. Mr. Davison previously served on the Board of Directors for Calgary Municipal Land Corporation, Calgary Economic Development, and the Opportunity Calgary Investment Fund. Mr. Davison received a bachelor's degree in Communications Studies from the University of Calgary in 2003. Mr. Davison also attended Cornell in 2017 for its Strategy Program in Marketing.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

As a venture issuer, the Corporation is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services under the heading "*External Auditor*" of the Audit Committee Charter of the Corporation which is attached hereto as Schedule "C".

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

The aggregate fees paid by the Corporation to the external auditors of the Corporation for the last financial year for audit fees are described below.

<u>Financial Period</u>	<u>Audit Fees<sup>(1)</sup></u>	<u>Audit Related Fees<sup>(2)</sup></u>	<u>Tax Fees<sup>(3)</sup></u>	<u>All Other Fees<sup>(4)</sup></u>
For the year ended May 31, 2024	\$9,360.50	Nil	Nil	Nil

#### **Notes:**

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's Financial Statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR + website at [www.sedarplus.com](http://www.sedarplus.com). Financial information in respect of the Corporation and its affairs is provided in

the Corporation's Financial Statements. Copies of the Corporation's Financial Statements and related management's discussion and analysis are available on SEDAR + at [www.sedarplus.com](http://www.sedarplus.com) and will be sent by the Corporation to any Shareholder upon request.

**SCHEDULE A**  
**FINANCIAL STATEMENTS**

(see attached)

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**

**Financial Statements**

**For the Years Ended May 31, 2024 and May 31, 2023**

*(Expressed in Canadian dollars)*

To the Shareholders of Transition Opportunities Corporation:

## Opinion

We have audited the financial statements of Transition Opportunities Corporation (the "Company"), which comprise the statements of financial position as at May 31, 2024 and May 31, 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2024 and May 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

## Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Leanne Bjalek.

Calgary, Alberta

September 12, 2024

*MNP LLP*

Chartered Professional Accountants

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Statements of Financial Position**  
**As at May 31**  
*(Expressed in Canadian Dollars)*

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Cash (Note 4)	\$558,621	\$558,610
Accounts receivable	-	7,537
<b>Total assets</b>	<b>\$558,621</b>	<b>\$566,147</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$13,490	\$12,604
<b>Total liabilities</b>	<b>\$13,490</b>	<b>\$12,604</b>
<b>Shareholders' equity</b>		
Share capital (Note 4)	\$576,154	\$576,154
Contributed surplus	47,325	47,325
Warrant reserve (Note 4)	31,655	31,655
Deficit	(110,003)	(101,591)
<b>Total shareholders' equity</b>	<b>\$545,131</b>	<b>\$553,543</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$558,621</b>	<b>\$566,147</b>

**Nature of the Business and Going Concern (Note 1)**

Approved by the Board of Directors:

Signed: "John Pantazopoulos"

CEO / CFO and Director

Signed: "Kevin Staveley"

Director

*The accompanying notes are an integral part of these financial statements.*

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Statements of Loss and Comprehensive Loss**  
**For the years ended May 31**  
*(Expressed in Canadian dollars)*

	<b>2024</b>	2023
<b>Expenses</b>		
General and administration	<b>\$36,794</b>	\$32,974
Interest income	<b>(28,382)</b>	(10,946)
<b>Net loss and comprehensive loss</b>	<b>(\$8,412)</b>	(\$22,028)
 <b>Net loss per share</b>		
Basic and diluted	<b>(\$0.00)</b>	(\$0.00)
<b>Weighted average shares outstanding – basic and diluted (Note 5)</b>	<b>10,000,000</b>	10,000,000

*The accompanying notes are an integral part of these financial statements.*

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Statements of Changes in Shareholders' Equity**  
*(Expressed in Canadian dollars)*

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	<b>Share Capital</b> (#)	<b>Share Capital</b> (\$)	<b>Contributed Surplus</b> (\$)	<b>Warrant Reserve</b> (\$)	<b>Deficit</b> (\$)	<b>Shareholders' Equity</b> (\$)
As at May 31, 2022	10,000,000	576,154	47,325	31,655	(79,563)	575,571
Net loss	-	-	-	-	(22,028)	(22,028)
As at May 31, 2023	10,000,000	576,154	47,325	31,655	(101,591)	553,543
Net loss	-	-	-	-	(8,412)	(8,412)
<b>As at May 31, 2024</b>	<b>10,000,000</b>	<b>576,154</b>	<b>47,325</b>	<b>31,655</b>	<b>(110,003)</b>	<b>545,131</b>

*The accompanying notes are an integral part of these financial statements.*

**Transition Opportunities Corp.****(A Capital Pool Company)****Statements of Cash Flows****For years ended May 31***(Expressed in Canadian dollars)*

	2024	2023
<b>Cash flows from operating activities</b>		
Net loss for the year	(\$8,412)	(\$22,028)
Changes in non-cash working capital:		
Accounts receivable	7,537	-
Accounts payable and accrued liabilities	886	(14,494)
<b>Cash provided (used) by operating activities</b>	<b>\$11</b>	<b>(\$36,522)</b>
<b>Change in cash during the year</b>	<b>\$11</b>	<b>(\$36,522)</b>
<b>Cash, beginning of year</b>	<b>\$558,610</b>	<b>\$595,132</b>
<b>Cash, end of year</b>	<b>\$558,621</b>	<b>\$558,610</b>

*The accompanying notes are an integral part of these financial statements.*

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Notes to the Financial Statements**  
**For the years ended May 31, 2024 and May 31, 2023**  
(Expressed in Canadian dollars)

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**1. Nature of the Business and Going Concern**

Transition Opportunities Corp. (“the Company”) was incorporated under the *Business Corporations Act* (Alberta) on November 1, 2021. The Company’s registered head office address is Suite 1900, 520 3<sup>rd</sup> Ave SW, Calgary, Alberta Canada T2P 0R3.

The Company was formed for the primary purpose of completing an initial public offering (“IPO”) on the TSX Venture Exchange (the “Exchange”) as a Capital Pool Company (“CPC”) in accordance with Exchange Policy 2.4 *Capital Pool Companies* (the “CPC Policy”). As a CPC, the Company's principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with the CPC Policy of the Exchange (the “Qualifying Transaction”). Until Completion of the Qualifying Transaction (as such term is defined in the CPC Policy), the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

These financial statements have been prepared on the basis that the Company will continue as a going concern. The proposed business of the Company and the completion of a Qualifying Transaction involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern.

**2. Basis of Presentation**

**Statement of Compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

**Functional and Presentation Currency**

The financial statements have been prepared in Canadian dollars, which is the Company’s functional and presentation currency.

These financial statements were authorized for issue by the Board of Directors on September 12, 2024.

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Notes to the Financial Statements**  
**For the years ended May 31, 2024 and May 31, 2023**  
(Expressed in Canadian dollars)

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### **3. Summary of Material Accounting Policies**

The material accounting policies used in the preparation of the financial statements are set out below.

#### **Financial Instruments**

##### *Recognition and Derecognition*

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

##### *Classification*

Financial assets and liabilities are classified in the following measurement categories: i) those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income), and ii) those to be measured subsequently at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss. For financial assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. Classification of financial assets or financial liabilities at fair value through either profit or loss or other comprehensive income, is an irrevocable designation at the time of recognition.

Financial assets are reclassified when, and only when, the Company's business model for managing those assets changes. Financial liabilities are not reclassified.

Cash is comprised of cash held with a financial institution. Cash is classified as and subsequently measured at amortized cost.

Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. Interest expense is recorded in profit or loss.

##### *Measurement*

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of that instrument. Transaction costs of financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Notes to the Financial Statements**  
**For the years ended May 31, 2024 and May 31, 2023**  
(Expressed in Canadian dollars)

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**3. Summary of Material Accounting Policies (continued)**

**Financial Instruments (continued)**

Financial instruments are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

*Impairment*

The Company assesses all information available, including on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is significant increase in credit risk, the Company compares the risk of default occurring as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

**Income Taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not-deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the tax asset is not recognized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Notes to the Financial Statements**  
**For the years ended May 31, 2024 and May 31, 2023**  
(Expressed in Canadian dollars)

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**3. Summary of Material Accounting Policies (continued)**

**Use of Estimates, Assumptions, and Judgements**

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material. The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

*Going concern*

Management has made an assessment of the Company's ability to continue as a going concern and the financial statements are prepared on a going concern basis. However, the Company has no source of operating revenue and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to complete a qualifying transaction in the future. These factors may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

*Amount of accrued liabilities*

Accrued liabilities are recorded based on an estimate of unbilled work performed by the Company's vendors as well as any other payments which the Company will be required to make in relation to the current year's operations. Management makes these estimates based on expected billings and its knowledge of current operations. These estimates will affect the reported amounts of accrued liabilities and operating expenses.

*Share-based payments*

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions could affect the fair value estimates.

*Deferred tax assets*

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. These estimates will affect the reported amounts of deferred tax assets and expenses.

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Notes to the Financial Statements**  
**For the years ended May 31, 2024 and May 31, 2023**  
(Expressed in Canadian dollars)

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**3. Summary of Material Accounting Policies (continued)**

**Share Capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

**Loss per Share**

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings per share calculation.

**4. Share Capital**

**(i) Authorized**

Unlimited common shares with no par value.

**(ii) Seed Share Issuance**

Between November 1, 2021 and November 30, 2021, the Company completed a private placement for gross proceeds of \$250,000 by issuing 5,000,000 common shares at a price of \$0.05 per share.

On April 21, 2022, the Company closed an Initial Public Offering (“IPO”) through the issuance of 5,000,000 common shares of the Company at a price of \$0.10 per common share for total gross proceeds of \$500,000. Pursuant to the terms of the IPO, the Company paid a cash commission to the Agent (the “Agent”) of 10% of the gross proceeds of the IPO, and a corporate finance fee of \$12,500, plus the Agent’s legal fees incurred and other expenses, up to a maximum of \$13,000 in legal fees. The Company also granted the Agent 500,000 warrants of the Company, at a purchase price of \$0.10 per share until the earlier of (i) 60 months from the closing of the IPO, and (ii) 12 months from the date on which the common shares of the Company commence trading on the Exchange (or other recognized stock exchange), following completion of the Qualifying Transaction.

**(iii) Cash Terms of Use**

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used to cover costs of administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

**(iv) Shares Subject to Escrow**

Upon closing of the IPO, the 5,000,000 common shares of the Company outstanding at November 30, 2021 are subject to a CPC Escrow Agreement (Form 2F) (the “Escrow Agreement”), and will be released from escrow in stages over a period of 18 months from the date of the Final QT Exchange Bulletin (as such term is defined in the CPC Policy).

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Notes to the Financial Statements**  
**For the years ended May 31, 2024 and May 31, 2023**  
(Expressed in Canadian dollars)

**4. Share Capital (continued)**

**(v) Stock Options**

The Company adopted a Stock Option Plan (the “Stock Option Plan”), which provides for grants of incentive share options and nonqualified share options to employees (including officers), consultants and directors. The Stock Option Plan, and grants made under the Stock Option Plan, are designed to align shareholder and participant interests. The Company’s board of directors establishes the terms and conditions of any grants under the Stock Option Plan. The options vest immediately.

Share-based compensation expense for the year ended May 31, 2024 and May 31, 2023 was \$nil.

The following table includes all issued and outstanding options as at May 31, 2024:

<b>Grant Date</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Remaining Life (years)</b>	<b>Options Outstanding and Exercisable</b>
November 24, 2021	\$0.05	November 24, 2026	2.5	500,000
April 21, 2022	\$0.10	April 21, 2027	2.9	500,000
<b>Balance – May 31, 2024</b>	<b>\$0.08</b>		<b>2.7</b>	<b>1,000,000</b>

**(vi) Agent Warrants**

Agent warrants of 500,000 were issued in conjunction with the IPO. Each warrant entitles its holder to purchase one common share at a price of \$0.10 for a period of 60 months. The Agent Warrants have a remaining life of 2.9 years.

**5. Loss per Share**

All 10,000,000 shares issued were included within the loss per share calculation for the years ended May 31, 2024 and 2023 as the qualifying transaction escrow shares are deemed to be issued solely after the passage of time and are not contingently issuable shares given the nature of a CPC.

**6. Related Party Transactions**

During the year ended May 31, 2024, the Company incurred legal expenses of \$4,658 (2023 - \$20,685) to Borden Ladner Gervais LLP. A director of the Company is also a partner with Borden Ladner Gervais LLP.

**7. Income Taxes**

Reconciliation of the combined statutory federal and provincial corporate tax rate to the income tax expense is as follows:

	<b>2024</b>	2023
Net loss for the period	<b>(\$8,412)</b>	(\$22,028)
Corporate tax rate	<b>23.00%</b>	23.00%
Expected recovery at statutory rates	<b>(1,935)</b>	(5,067)
Deferred tax asset not recognized	<b>1,935</b>	5,067
Income tax recovery	<b>\$ -</b>	\$ -

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**  
**Notes to the Financial Statements**  
**For the years ended May 31, 2024 and May 31, 2023**  
(Expressed in Canadian dollars)

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**7. Income Taxes (continued)**

The Company has estimated its gross deductible temporary differences related to non-capital loss carryforwards to be approximately \$62,678 (\$54,266 as at May 31, 2023). The non-capital loss carryforwards will expire in 2042 - 2044 if not utilized, subject to provisions of the Income Tax Act of Canada that may limit the Company's ability to utilize these losses.

**8. Financial Instruments and Risk Management**

**Fair Values**

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short- term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board of Director's approves the risk management processes. The Board of Director's main objectives for managing risks are to ensure liquidity, the fulfilment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

**Credit Risk**

Credit risk is the risk of loss associated with a counter-party's inability to fulfil its payment obligations. As at May 31, 2024, the Company's maximum exposure to credit risk is \$558,621 (May 31, 2023 - \$558,610) and is comprised of cash. All of the Company's cash is held with the Company's bank. Management has judged credit risk to be low as it is held with a major Canadian financial institution.

## **8. Financial Instruments and Risk Management (continued)**

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. None of the Company's financial instruments bear interest. Therefore, management believes that the Company is not exposed to any significant interest rate risk.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

## **9. Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to become a CPC and complete a Qualifying Transaction so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as total equity.

## **10. Subsequent Events**

On August 20, 2024, the Company announced that it had entered into a non-binding letter of intent with InterGroup Mining Limited ("IGM"), a corporation organized under the laws of Australia, in respect to a proposed business combination that would result in the reverse take-over of the Company by IGM. The Company anticipates the proposed business combination will constitute its "Qualifying Transaction" pursuant to Policy 2.4 – Capital Pool Companies of the TSX Venture Exchange ("TSXV"). Completion of the business combination is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV requirements, majority of the minority shareholder approval, the completion of a definitive agreement and closing conditions customary to transactions of this nature. Where applicable, the proposed business combination cannot close until the required shareholder approval is obtained. There can be no assurance that the proposed business combination will be completed as proposed or at all.

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**

**Financial Statements**

**For the Twelve-Month Period Ended May 31, 2023 and the  
Seven-Month Period ended May 31, 2022**

**(Expressed in Canadian dollars)**

To the Shareholders of Transition Opportunity Corporation:

### Opinion

We have audited the financial statements of Transition Opportunity Corporation (the "Company"), which comprise the statements of financial position as at May 31, 2023 and May 31, 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the twelve and seven month periods then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2023 and May 31, 2022, and its financial performance and its cash flows for the twelve and seven month periods then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Leanne Bjalek.

Calgary, Alberta

August 8, 2023

*MNP LLP*

Chartered Professional Accountants

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**

**Statements of Financial Position**  
**As at May 31, 2023 and May 31, 2022**

*(Expressed in Canadian Dollars)*

	May 31, 2023	May 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash (Note 4)	\$558,610	\$595,132
Accounts Receivable	7,537	-
<b>Total assets</b>	<b>\$566,147</b>	<b>\$595,132</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$12,604	\$19,561
<b>Total liabilities</b>	<b>\$12,604</b>	<b>\$19,561</b>
<b>Shareholders' Equity</b>		
Share capital (Note 4)	\$576,154	\$576,154
Contributed surplus	47,325	47,325
Warrant Reserve (Note 4)	31,655	31,655
Deficit	(101,591)	(79,563)
<b>Total shareholders' equity</b>	<b>\$533,543</b>	<b>\$575,571</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$566,147</b>	<b>\$595,132</b>

Nature of the Business (Note 1)

Approved by the Board of Directors:

Signed: "John Pantazopoulos"  
\_\_\_\_\_  
CEO / CFO and Director

Signed: "Kevin Staveley"  
\_\_\_\_\_  
Director

*The accompanying notes are an integral part of these financial statements.*

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**

**Statements of Loss and Comprehensive Loss**  
**For the 12-Month period ended May 31, 2023 and the 7-month period ended May 31, 2022**

*(Expressed in Canadian dollars)*

	<b>Twelve Month Period Ended May 31, 2023</b>	<b>Seven Month Period Ended May 31, 2022</b>
<b>Expenses</b>		
General and administration	<b>\$32,974</b>	\$32,797
Share-based compensation (Note 4)	-	47,325
Interest income	<b>(10,946)</b>	(559)
<b>Net loss and Comprehensive Net Loss for period</b>	<b>(\$22,028)</b>	(\$79,563)
<b>Net loss per share – basic and diluted (Note 5)</b>	<b>(\$0.00)</b>	(\$0.01)
<b>Weighted average shares outstanding – basic and diluted (Note 5)</b>	<b>10,000,000</b>	5,919,811

*The accompanying notes are an integral part of these financial statements.*

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**

**Statements of Changes in Shareholders' Equity**  
**For the 12-month period ended May 31, 2023 and the 7-month period ended May 31, 2022**

*(Expressed in Canadian dollars)*

	Number of Shares	Amount	Contributed Surplus	Warrants	Deficit	Total Equity
Balance, Nov 1, 2021	-	\$-	\$-	\$-	\$-	\$-
Private placements of units (Note 4)	10,000,000	\$750,000	-	-	-	750,000
Share issuance costs (Note 4)	-	(142,191)	-	-	-	(142,191)
Warrants issued (Note 4)	-	(31,655)	-	31,655	-	-
Share-based compensation (Note 4)	-	-	47,325	-	-	47,325
Net loss for the period	-	-	-	-	(79,563)	(79,563)
<b>Balance, May 31, 2022</b>	<b>10,000,000</b>	<b>\$576,154</b>	<b>\$47,325</b>	<b>\$31,655</b>	<b>(\$79,563)</b>	<b>\$575,571</b>
Share issuance costs (Note 4)	-	-	-	-	-	-
Warrants issued (Note 4)	-	-	-	-	-	-
Net loss for the period	-	-	-	-	(22,028)	(22,028)
<b>Balance, May 31, 2023</b>	<b>10,000,000</b>	<b>\$576,154</b>	<b>\$47,325</b>	<b>\$31,655</b>	<b>(\$101,591)</b>	<b>\$553,543</b>

*The accompanying notes are an integral part of these financial statements.*

**Transition Opportunities Corp.**  
**(A Capital Pool Company)**

**Statements of Cash Flows**

**For the 12-month period ended May 31, 2023 and 7-month period ended May 31, 2022**

*(Expressed in Canadian dollars)*

	<b>Twelve Month Period Ended May 31, 2023</b>	<b>Seven Month Period Ended May 31, 2022</b>
<b>Cash flows from operating activities</b>		
Net loss for the period	(\$22,028)	(\$79,563)
Share based compensation (note 4)	-	47,325
Changes in non-cash working capital: Accounts payable and accrued liabilities	(14,494)	19,561
<b>Cash used by operating activities</b>	<b>(\$36,522)</b>	<b>(\$12,677)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common shares, net of issuance costs (note 4)	-	607,809
<b>Cash provided by financing activities</b>	<b>-</b>	<b>\$607,809</b>
<b>Change in cash during the period</b>	<b>(\$36,522)</b>	<b>(\$12,183)</b>
<b>Cash, beginning of period</b>	<b>\$595,132</b>	<b>\$-</b>
<b>Cash, end of period</b>	<b>\$558,610</b>	<b>\$595,132</b>

*The accompanying notes are an integral part of these financial statements.*

## **Transition Opportunities Corp.**

**(A Capital Pool Company)**

**Notes to the Financial Statements**

**For the 12-month period ended May 31, 2023 and the 7-month period ended May 31, 2022**

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(Expressed in Canadian dollars)

### **1. Nature of the Business**

Transition Opportunities Corp. (“the Company”) was incorporated under the *Business Corporations Act* (Alberta) on November 1, 2021. The Company’s registered head office address is Suite 1900, 520 3<sup>rd</sup> Ave SW, Calgary, Alberta Canada T2P 0R3.

The Company was formed for the primary purpose of completing an initial public offering (“IPO”) on the TSX Venture Exchange (the “Exchange”) as a Capital Pool Company (“CPC”) in accordance with Exchange Policy 2.4 *Capital Pool Companies* (the “CPC Policy”). As a CPC, the Company’s principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with the CPC Policy of the Exchange (the “Qualifying Transaction”). Until Completion of the Qualifying Transaction (as such term is defined in the CPC Policy), the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

### **2. Basis of Presentation**

#### **Statement of Compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

#### **Functional and Presentation Currency**

The financial statements have been prepared in Canadian dollars, which is the Company’s functional and presentation currency.

These financial statements were authorized for issue by the Board of Directors on August 8, 2023.

## **Transition Opportunities Corp.**

**(A Capital Pool Company)**

**Notes to the Financial Statements**

**or the 12-month period ended May 31, 2023 and the 7-month period ended May 31, 2022**

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(Expressed in Canadian dollars)

### **3. Summary of Significant Accounting Policies**

The significant accounting policies used in the preparation of the financial statements are set out below.

#### **Financial instruments**

##### *Recognition and Derecognition*

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

##### *Classification*

Financial assets and liabilities are classified in the following measurement categories: i) those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income), and ii) those to be measured subsequently at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss. For financial assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. Classification of financial assets or financial liabilities at fair value through either profit or loss or other comprehensive income, is an irrevocable designation at the time of recognition.

Financial assets are reclassified when, and only when, the Company's business model for managing those assets changes. Financial liabilities are not reclassified.

Cash is comprised of cash held with a financial institution. Cash is classified as and subsequently measured at amortized cost.

Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. Interest expense is recorded in profit or loss.

##### *Measurement*

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of that instrument. Transaction costs of financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

## **Transition Opportunities Corp.**

**(A Capital Pool Company)**

### **Notes to the Financial Statements**

**For the 12-month period ended May 31, 2023 and the 7-month period ended May 31, 2022**

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(Expressed in Canadian dollars)

### **3. Summary of Significant Accounting Policies (continued)**

#### **Financial instruments (continued)**

Financial instruments are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

#### *Impairment*

The Company assesses all information available, including on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is significant increase in credit risk, the Company compares the risk of default occurring as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

#### **Income taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not-deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the tax asset is not recognized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## **Transition Opportunities Corp.**

**(A Capital Pool Company)**

**Notes to the Financial Statements**

**or the 12-month period ended May 31, 2023 and the 7-month period ended May 31, 2022**

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(Expressed in Canadian dollars)

### **3. Summary of Significant Accounting Policies (continued)**

#### **Use of estimates, assumptions, and judgements**

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material. The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

##### *Going concern*

Management has made an assessment of the Company's ability to continue as a going concern and the financial statements are prepared on a going concern basis. However, the Company has no source of operating revenue and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. These factors may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

##### *Amount of accrued liabilities*

Accrued liabilities are recorded based on an estimate of unbilled work performed by the Company's vendors as well as any other payments which the Company will be required to make in relation to the current year's operations. Management makes these estimates based on expected billings and its knowledge of current operations. These estimates will affect the reported amounts of accrued liabilities and operating expenses.

##### *Share-based payments*

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions could affect the fair value estimates.

##### *Deferred tax assets*

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. These estimates will affect the reported amounts of deferred tax assets and expenses.

## **Transition Opportunities Corp.**

**(A Capital Pool Company)**

### **Notes to the Financial Statements**

**For the 12-month period ended May 31, 2023 and the 7-month period ended May 31, 2022**

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(Expressed in Canadian dollars)

### **3. Summary of Significant Accounting Policies (continued)**

#### **Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

#### **Loss per share**

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings per share calculation.

### **4. Share Capital**

#### **(i) Authorized**

Unlimited common shares with no par value.

#### **(ii) Seed Share Issuance**

Between November 1, 2021 and November 30, 2021, the Company completed a private placement for gross proceeds of \$250,000 by issuing 5,000,000 common shares at a price of \$0.05 per share.

On April 21, 2022, the Company closed an Initial Public Offering (“IPO”) through the issuance of 5,000,000 common shares of the Company at a price of \$0.10 per common share for total gross proceeds of \$500,000. Pursuant to the terms of the IPO, the Company paid a cash commission to the Agent (the “Agent”) of 10% of the gross proceeds of the IPO, and a corporate finance fee of \$12,500, plus the Agent’s legal fees incurred and other expenses, up to a maximum of \$13,000 in legal fees. The Company also granted the Agent 500,000 warrants of the Company, at a purchase price of \$0.10 per share until the earlier of (i) 60 months from the closing of the IPO, and (ii) 12 months from the date on which the common shares of the Company commence trading on the Exchange (or other recognized stock exchange), following completion of the Qualifying Transaction.

#### **(iii) Cash Terms of Use**

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used to cover costs of administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

#### **(iv) Shares Subject to Escrow**

Upon closing of the IPO, the 5,000,000 common shares of the Company outstanding at November 30, 2021 are subject to a CPC Escrow Agreement (Form 2F) (the “Escrow Agreement”), and will be released from escrow in stages over a period of 18 months from the date of the Final QT Exchange Bulletin (as such term is defined in the CPC Policy).

## Transition Opportunities Corp.

(A Capital Pool Company)

### Notes to the Financial Statements

or the 12-month period ended May 31, 2023 and the 7-month period ended May 31, 2022

(Expressed in Canadian dollars)

#### 4. Share Capital (continued)

##### (iv) Stock Options

The Company adopted a Stock Option Plan (the “Stock Option Plan”), which provides for grants of incentive share options and nonqualified share options to employees (including officers), consultants and directors. The Stock Option Plan, and grants made under the Stock Option Plan, are designed to align shareholder and participant interests. The Company’s board of directors establishes the terms and conditions of any grants under the Stock Option Plan. The options vest immediately.

Share-based compensation expense for the 12-month period ended May 31, 2023 was \$nil and for the 7-month period ended May 31, 2022 was \$47,325.

The Company recognizes compensation expense for the 1,000,000 share option grants made to officers and directors of the Company based on the fair value at the date of grant using the Black-Scholes option pricing model. The following assumptions were used to determine the fair value of share option grants.

Valuation assumptions:

Expected volatility	125%
Expected term (years)	2
Risk-free interest rate	0.98% and 2.63%
Share price	\$0.05 and \$0.10

The following table includes all issued and outstanding options as at May 31, 2023:

Grant Date	Exercise Price	Expiry Date	Remaining Life (years)	Options Outstanding and Exercisable
November 24, 2021	\$0.05	November 24, 2026	3.5	500,000
April 21, 2022	\$0.10	April 21, 2027	3.9	500,000
<b>Balance – May 31, 2023</b>	<b>\$0.08</b>		<b>3.7</b>	<b>1,000,000</b>

Volatility was estimated by considering comparable industry assumed volatility. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

##### (i) Agent Warrants

Agent warrants of 500,000 were issued in conjunction with the IPO. Each warrant entitles its holder to purchase one common share at a price of \$0.10 for a period of 60 months. The Company accounts for these Agent warrants using the Black-Scholes option pricing model utilizing the following assumptions:

Expected volatility	125%
Expected term (years)	2
Risk-free interest rate	2.63%
Share Price	\$0.10

The fair market value of the Agent Warrants issued was \$31,655 as reported in share capital with a corresponding amount in warrant reserve. The Agent Warrants have a remaining life of 4.7 years.

## Transition Opportunities Corp.

(A Capital Pool Company)

### Notes to the Financial Statements

**For the 12-month period ended May 31, 2023 and the 7-month period ended May 31, 2022**

(Expressed in Canadian dollars)

#### 5. Net Loss per Share

All 10,000,000 shares issued were included with the loss per share calculations for the 12-month period ended May 31, 2023 and 5,919,811 shares were included with the loss per share calculation for the 7-month period ended May 31, 2022.

#### 6. Related Party Transactions

During the 12-month period ended May 31, 2023, the Company incurred legal expenses of \$20,685 to Borden Ladner Gervais LLP and for the 7-month period ended May 31, 2022, the Company incurred legal expenses of \$51,860 to Borden Ladner Gervais LLP. The Company issued share option grants to officers and Directors during the 7-month period ended May 31, 2022 resulting in a share-based compensation expense of \$47,325 during that period.

#### 7. Income Taxes

Reconciliation of the combined statutory federal and provincial corporate tax rate to the income tax expense is as follows:

	12-month period ended May 31, 2023	7-month period ended May 31, 2022
Net loss for the period	\$(22,028)	\$(79,563)
Corporate tax rate	23.00%	23.00%
Expected recovery at statutory rates	(5,067)	(18,299)
Deferred tax asset not recognized	5,067	18,299
Income tax recovery	\$-	\$-

The Company has estimated its gross deductible temporary differences related to non-capital loss carryforwards to be approximately \$54,266 (\$32,238 as at May 31, 2022). The non-capital loss carryforwards will expire in 2042 and 2043 if not utilized, subject to provisions of the Income Tax Act of Canada that may limit the Company's ability to utilize these losses.

#### 8. Financial Instruments and Risk Management

##### Fair Values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

## **Transition Opportunities Corp.**

**(A Capital Pool Company)**

**Notes to the Financial Statements**

**or the 12-month period ended May 31, 2023 and the 7-month period ended May 31, 2022**

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(Expressed in Canadian dollars)

### **8. Financial Instruments and Risk Management (continued)**

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board of Director's approves the risk management processes. The Board of Director's main objectives for managing risks are to ensure liquidity, the fulfilment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

#### **Credit Risk**

Credit risk is the risk of loss associated with a counter-party's inability to fulfil its payment obligations. As at May 31, 2023, the Company's maximum exposure to credit risk is \$558,610 and is comprised of cash. All of the Company's cash is held with the Company's bank. Management has judged credit risk to be low as it is held with a major Canadian financial institution.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. None of the Company's financial instruments bear interest. Therefore, management believes that the Company is not exposed to any significant interest rate risk.

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

### **9. Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to become a CPC and complete a Qualifying Transaction so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as total equity.

**SCHEDULE B**  
**STOCK OPTION PLAN**

(see attached)

**FIRST AMENDED AND RESTATED STOCK OPTION PLAN  
OF  
TRANSITION OPPORTUNITIES CORP.**

**1. Purpose**

The purpose of the Stock Option Plan (the “**Plan**”) of Transition Opportunities Corp., a corporation incorporated under the *Business Corporations Act* (Alberta) (the “**Corporation**”) is to advance the interests of the Corporation by encouraging the directors, senior officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

**2. Administration**

This Plan shall be administered by the board of directors of the Corporation or by a special committee of the directors appointed from time to time by the board of directors of the Corporation pursuant to rules of procedure fixed by the board of directors (such committee or, if no such committee is appointed, the board of directors of the Corporation, is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of this Plan, the Board shall have authority to construe and interpret this Plan and all option agreements entered into thereunder, to define the terms used in this Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to this Plan and to make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in this Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

**3. Stock Exchange Rules**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the “**Exchange**”), including Policy 4.4 of the Exchange.

In particular, during the time that the Corporation is a Capital Pool Company (as defined in Policy 2.4 of the Exchange), this Plan is subject to Section 6 of Policy 2.4 of the Exchange as it relates to the issuance of options.

**4. Shares Subject to Plan**

Subject to adjustment as provided in Section 17 hereof, the Shares offered under this Plan shall consist of the Corporation’s authorized but unissued common shares. Subject to Section 10 hereof, the aggregate number of Shares issuable upon the exercise of all options granted under this Plan shall not exceed 10% of

the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder expires or terminates for any reason in accordance with the terms of this Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

## **5. Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of this Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of this Plan.

## **6. Eligibility and Participation**

Directors, senior officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company that provides management services to the Corporation or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in this Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by this Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation and that Participant that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

## **7. Exercise Price**

- (a) The exercise price of the Shares subject to each option is determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be less than the Discounted Market Price (as defined in Policy 1.1 of Exchange).
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option is granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date the Corporation’s shares commenced trading or the date the exercise price was reduced. In the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced or the term of an option may be extended only if disinterested shareholder approval is obtained.

## **8. Number of Optioned Shares**

- (a) The number of Shares subject to an option granted to any one Participant is determined by the Board, but no one Participant shall be granted an option, which exceeds the maximum number permitted by the Exchange.

- (b) The aggregate number of options granted to any single Participant in a twelve-month period must not exceed 5% of the issued common shares of the Corporation unless the Corporation has obtained disinterested shareholder approval in respect of such grant and the grant meets all other applicable Exchange requirements.
- (c) The aggregate number of options granted to any single consultant of the Corporation in a twelve-month period must not exceed 2% of the issued common shares of the Corporation.
- (d) The aggregate number of options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued common shares of the Corporation in any twelve-month period. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve (12) months with no more than  $\frac{1}{4}$  of the options vesting in any 3-month period.
- (e) The aggregate number of options granted at any given time to Eligible Charitable Organizations (as defined in Policy 4.4 of the Exchange) in aggregate will not exceed 1% of the issued common shares of the Corporation.

## **9. Duration of Option**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and subject to earlier termination as provided in Sections 13 and 14, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange, the maximum term may not exceed ten (10) years.

## **10. Corporation as a Capital Pool Company**

Pursuant to Policy 2.4 of the Exchange, as may be amended from time to time, during the time that the Corporation is a Capital Pool Company the following restrictions apply:

- (a) the aggregate number of Shares issuable upon the exercise of all options granted under this Plan shall not exceed 10% of the common shares of the Corporation issued and outstanding at the date of grant of any options;
- (b) the aggregate number of Shares issuable upon exercise of all options granted under this Plan to any director or senior officer of the Corporation shall not exceed 5% of the common shares of the Corporation issued and outstanding at the date of grant of any options;
- (c) the aggregate number of Shares issuable upon the exercise of all options granted under this Plan to any technical consultant of the Corporation shall not exceed 2% of the common shares of the Corporation issued and outstanding at the date of grant of any options;
- (d) the aggregate number of Shares issuable upon the exercise of all options granted under this Plan to any Eligible Charitable Organizations shall not exceed 1% of the common shares of the Corporation issued and outstanding at the date of grant of any options
- (e) the exercise price of the options granted prior to the closing of the initial public offering of the Corporation (the “**IPO**”) cannot be less than the lowest price at which any Shares were issued by the Corporation prior to the IPO;

- (f) no options may be granted to a person providing investor relations activities, promotional or marketing services;
- (g) the term of any option grant must expire not later than twelve (12) months after the Participant ceases to be a director, senior officer or technical consultant of the Corporation while it is a Capital Pool Company, or of the Resulting Issuer (as defined in Policy 2.4 of the Exchange), as the case may be, subject to any earlier expiry date of such option; and
- (h) no options may be granted by the Corporation while it is a Capital Pool Company unless the Participant first enters into a CPC Escrow Agreement (as defined in Policy 2.4 of the Exchange) agreeing to deposit the options, and the common shares of the Corporation acquired pursuant to the exercise of such option, into escrow as described in Part 10 Policy 2.4 of the Exchange.

## **11. Option Period, Consideration and Payment**

- (a) The option period is a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 13 and 14.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan is approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth Sections 13 and 14, no option may be exercised unless the Participant is, at the time of such exercise, a director, senior officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option is contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under this Plan are issued to him or them under the terms of this Plan.

## **12. Exchange Hold Period**

In addition to any resale restrictions under securities laws and any other circumstance for which the Exchange Hold Period (as defined in Policy 1.1 of the Exchange) may apply, where the exercise price of any options granted pursuant to this Plan is at a discount to the Market Price (as defined in Policy 1.1 of the Exchange), all such options and any Listed Shares (as defined in Policy 1.1 of the Exchange) under such options exercised prior to the expiry of the Exchange Hold Period must be legended with the Exchange Hold Period commencing on the date such options were granted.

### **13. Ceasing To Be a Director, Senior Officer, Consultant or Employee**

- (a) Subject to subsection 13(b), if a Participant ceases to be a director, senior officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within twelve (12) months after the Participant ceases to be a director, senior officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.
- (b) If the Participant does not continue to be a director, senior officer, consultant, employee of the Resulting Issuer (as defined in Policy 2.4 of the Exchange) upon completion of the Corporation's Qualifying Transaction (as defined in Policy 2.4 of the Exchange), the options granted hereunder must be exercised by the Participant within twelve (12) months after completion of the Qualifying Transaction (as defined in Policy 2.4 of the Exchange).
- (c) Nothing contained in this Plan, nor in any option granted pursuant to this Plan, shall as such confer upon any Participant any right with respect to continuance as a director, senior officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

### **14. Death of Participant**

Notwithstanding Section 13, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the option at the date of his death.

### **15. Rights of Optionee**

No person entitled to exercise any option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares are issued and delivered.

### **16. Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

### **17. Adjustments**

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the

exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section 17 shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share are required to be issued under this Plan on any such adjustment.

Adjustments under this Section 17 are subject to prior approval of the Exchange, except where they relate to consolidations or splits.

#### **18. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of this Plan are neither transferable nor assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

#### **19. Amendment and Termination of Plan**

Subject to the policies, rules and regulations of any lawful authority having jurisdiction (including any exchange on which the Shares are listed for trading), the Board may at any time, without further action by the shareholders, amend this Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate this Plan. The Board may not, however, without the consent of the option holder, alter or impair any of the rights or obligations under any option theretofore granted.

#### **20. Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with this Plan is subject to any approvals that may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation returned to the Participant.

#### **21. Effective Date of Plan**

This Plan was originally adopted by the Board on November 24, 2021 and amended and restated on February 9, 2022, subject to the approval of the Exchange, and if so approved, subject to the discretion of the Board, this Plan becomes effective upon such approvals being obtained.

#### **22. Interpretation**

This Plan is governed by and construed in accordance with the laws of the Province of Alberta.

**SCHEDULE C**  
**AUDIT COMMITTEE CHARTER**

(see attached)

# TRANSITION OPPORTUNITIES CORP.

## AUDIT COMMITTEE CHARTER

### 1. Mandate

The primary function of the audit committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Transition Opportunities Corp. (the “**Company**”) 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. The Committee’s primary duties and responsibilities are to:

- (a) 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;
- (b) review and appraise the performance of the Company’s external auditor;
- (c) provide an open avenue of communication among the Company’s auditor, financial and senior management and the Board; and
- (d) report regularly to the Board the results of its activities.

### 2. Composition

The Committee shall be comprised of a minimum three directors as determined by the Board, a majority of whom shall not be officers or employees of the Company or any of its affiliates. If the Company ceases to be a “venture issuer” (as that term is defined in Multilateral Instrument 52 - 110 – *Audit Committees*), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Committee should have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting or until their successors are duly elected. Unless a chairperson (“**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### 3. Meetings

The Committee shall meet a least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer of the Company and the external auditor of the Company in separate sessions.

### 4. Responsibilities and Duties

#### A. Documents/Reports Review

To fulfill its responsibilities and duties, the Committee shall endeavor to:

- (a) review and update this Audit Committee 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 auditor; and

- (c) review regular summary reports of directors and officers expense account claims at least annually, establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chair of the Committee will be responsible for approving the expense reports of the President and the Chief Executive Officer of the Company, and the Chief Executive Officer of the Company will be responsible for approving the expense reports of the directors and officers of the Company.

B. External Auditor

To fulfill its responsibilities and duties, the Committee shall endeavor to:

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of the external auditor setting forth all relationships between the external auditor and the Company;
- (c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
- (d) take, or recommend that the Board, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditor;
- (g) at each meeting, where desired, consult with the external auditor, 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;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (i) review with management and the external auditor the audit plan for the year-end financial statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services, and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first

scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

C. Financial Reporting Processes

To fulfill its responsibilities and duties, the Committee shall endeavor to:

- (a) in consultation with the external auditor, 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 auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (l) on at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

D. Authority

The Committee will have the authority to:

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (c) set and pay compensation for any independent counsel and other advisors employed by the Committee;
- (d) communicate directly with the auditors; and
- (e) conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.