

**CRANSTOWN CAPITAL CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the “**Meeting**”) of Shareholders of Cranstown Capital Corp. (the “**Corporation**”) will be held at the offices of DLA Piper (Canada) LLP at Suite 5100, Bay Adelaide - West Tower, 333 Bay Street, Toronto, Ontario, on Friday, the 14<sup>th</sup> day of March, 2025, at the hour of 11:00 a.m. (ET) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial years ended March 31, 2022, 2023 and 2024, and the auditors’ report’s thereon, and the financial statements of the Corporation for the three and six months ended September 30, 2024 (unaudited);
2. to elect three (3) directors for the ensuing year;
3. to appoint auditors of the Corporation for the ensuing year and authorize the directors to fix their remuneration;
4. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution (the text of which is disclosed in Section 9(iv) of the Information Circular) approving an amended and restated Option Plan, as more particularly described in the Information Circular; and
5. to transact such further or other business as may properly come before the said meeting or any adjournment or adjournments thereof.

A copy of the Management Information Circular, a form of proxy and a return envelope accompany this Notice of Meeting. A copy of the audited financial statements of the Corporation for the financial years ended March 31, 2022, 2023 and 2024, and the auditors’ report’s thereon, and the financial statements of the Corporation for the three and six months ended September 30, 2024 (unaudited), and related management discussion and analysis’, will be available for review at the Meeting and are available to the public on the SEDAR+ website at [www.sedarplus.com](http://www.sedarplus.com).

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting was February 13, 2025 (the “**Record Date**”). Shareholders of the Corporation whose names had been entered on the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the 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 effective, the enclosed proxy must be mailed so as to reach or be deposited with Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof.

The instrument appointing a proxy must be in writing and must be executed by the shareholder or his or her attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The individuals named in the enclosed form of proxy are directors and/or officers of the Corporation. Each shareholder has the right to appoint a proxyholder other than such individuals, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder’s behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder’s appointee should be legibly printed in the blank space provided.

**DATED** this 17<sup>th</sup> day of February, 2025.

**BY ORDER OF THE BOARD**

*(signed) “Toby Pierce”*  
Chief Executive Officer

**INFORMATION CIRCULAR**  
**FOR THE ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS OF**  
**CRANTOWN CAPITAL CORP.**

(this information is given as of February 17, 2025, except where otherwise indicated)

**1. SOLICITATION OF PROXIES**

This management information circular (the “Circular”) and accompanying form of proxy are furnished in connection with the solicitation, by management of Crantown Capital Corp. (the “Corporation”), of proxies to be used at the annual general and special meeting of the holders (the “Shareholders”) of common shares (“Common Shares”) of the Corporation (the “Meeting”) referred to in the accompanying Notice of Annual General and Special Meeting (the “Notice of Meeting”) to be held on March 14, 2025, at the time and place and for the purposes set forth in the Notice of Meeting. The solicitation will be made primarily by mail, but proxies may also be solicited personally or by telephone by directors and/or officers of the Corporation, or by the Corporation’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), at nominal cost. The cost of solicitation by management will be borne by the Corporation. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the Common Shares. The cost of any such solicitation will be borne by the Corporation.

**2. RECORD DATE**

Shareholders of record at the close of business on February 13, 2025 are entitled to receive notice of and attend the Meeting in person or by proxy and are entitled to one vote for each Common Share registered in the name of such Shareholder in respect of each matter to be voted upon at the Meeting.

**3. APPOINTMENT OF PROXIES**

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. Each Shareholder submitting a proxy has the right to appoint a person or company (who need not be a Shareholder), other than the persons named in the enclosed form of proxy, to represent such Shareholder at the Meeting or any adjournment or postponement thereof. Such right may be exercised by inserting the name of such representative in the blank space provided in the enclosed form of proxy. All proxies must be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

A proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Computershare no later than 11:00 a.m. (ET) on March 12, 2025 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting) in accordance with the delivery instructions below or delivered to the chairperson (the “**Chairperson**”) of the board of directors of the Corporation (the “**Board**”) on the day of the Meeting, prior to the commencement of the Meeting or any adjournment or postponement thereof. The time limit for deposit of proxies may be waived or extended by the Chairperson of the Meeting at his discretion, without notice.

A registered Shareholder may submit his/her/its proxy by mail/in person or over the internet in accordance with the instructions below. A non-registered Shareholder should follow the instructions included on the voting instruction form provided by his or her Intermediary (as defined below).

*Voting Instructions for Registered Holders*

A registered Shareholder may submit a proxy by (i) mailing a copy to Computershare Investor Services Inc., Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, (ii) telephone by entering the 15 digit control number at 1 (866) 732-8683 (Canada and the U.S. only) or (312) 588-1290 (outside Canada and the U.S.), or (iii) online by entering the 15 digit control number at [www.investorvote.com](http://www.investorvote.com).

**4. REVOCATION OF PROXIES**

Proxies given by Shareholders for use at the Meeting may be revoked at any time prior to their use. Subject to compliance with the requirements described in the following paragraph, the giving of a proxy will not affect the right of a Shareholder to attend, and vote in person at, the Meeting.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his/her attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized and deposited with Computershare, in a manner provided above under “Proxy and Voting Information – Appointment of Proxies”, at any time up to and including 11:00 a.m. (ET) on March 14, 2025 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the holding of the Meeting) or, with the Chairperson at the Meeting on the day of such meeting or any adjournment or postponement thereof, and upon any such deposit, the proxy is revoked.

## 5. NON-REGISTERED HOLDERS

Only registered Shareholders, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a non-registered Shareholder (a “**Non-Registered Holder**”) are registered either (i) in the name of an intermediary (each, an “**Intermediary**” and collectively, the “**Intermediaries**”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans, or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the form of proxy and supplemental mailing card (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will generally use service companies (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to Non-Registered Holders. Generally, a Non-Registered Holder who has not waived the right to receive Meeting Materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on the type of form they receive:

- (1) **Voting Instruction Form.** In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), but wishes to direct the voting of the Common Shares they beneficially own, the voting instruction form must be submitted by mail, telephone or over the internet in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder; or
- (2) **Form of Proxy.** Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf) but wishes to direct the voting of the Common Shares they beneficially own, the Non-Registered Holder must complete the form of proxy and submit it to Odyssey as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the Non-Registered Holder must strike out the persons named in the proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided.

**In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the voting instruction form is to be delivered.**

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

A Non-Registered Holder may fall into two categories – those who object to their identity being made known to the issuers of the securities which they own (“**Objecting Beneficial Owners**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**Non-Objecting Beneficial Owners**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their Non-Objecting Beneficial Owners from Intermediaries. Pursuant to NI 54-101, issuers may obtain and use the Non-Objecting Beneficial Owners list in connection with any matters relating to the affairs of the issuer, including the distribution of proxy-related materials directly to Non-Objecting Beneficial Owners. The Corporation is sending

Meeting Materials directly to Non-Objecting Beneficial Owners; the Corporation uses and pays Intermediaries and agents to send the Meeting Materials.

These securityholder materials are being sent to both registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Corporation or its agent sent these materials directly to you, your name, address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf. Please return your voting instruction form as specified in the request for voting instructions that was sent to you.

## **6. EXERCISE OF DISCRETION BY PROXIES**

Common Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, the Common Shares will be voted or withheld from voting in accordance with the specifications so made. Where Shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the Common Shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice of Meeting. If a Shareholder appoints a representative other than the persons designated in the form of proxy, the Corporation assumes no responsibility as to whether the representative so appointed will attend the Meeting on the day thereof or any adjournment or postponement thereof.

The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting. At the date hereof, the management of the Corporation and the directors of the Corporation know of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to the management of the Corporation and the directors of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies

**Unless otherwise indicated in this Circular and in the form of proxy and Notice of Meeting attached hereto, Shareholders shall mean registered Shareholders.**

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

Except as described elsewhere in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the Corporation, (b) any proposed nominee for election as a director of the Corporation, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

## **8. VOTING SECURITIES AND PRINCIPAL HOLDERS**

As at the date hereof, the Corporation had 8,404,000 Common Shares outstanding, representing the Corporation's only securities with respect to which a voting right may be exercised at the Meeting. Each Common Share carries the right to one vote at the Meeting. A quorum for the transaction of business at the Meeting is two shareholders, or one or more proxyholders representing two shareholders, or one shareholder and a proxyholder representing another shareholder, holding or representing not less than five percent (5%) of the issued and outstanding Common Shares enjoying voting rights at the Meeting.

To the knowledge of the directors and senior officers of the Corporation as at the date hereof, based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval ("SEDAR+"), no person or corporation beneficially owned, directly or indirectly, or exercised control or discretion over, voting securities of the Corporation carrying more than ten percent (10%) of the voting rights attached to any class of voting securities of the Corporation, other than the following:

Name	Number of Common Shares	Percentage of Common Shares
Toby Pierce	1,000,000 <sup>(1)</sup>	11.9% <sup>(1)</sup>

### **Notes:**

- (1) In addition, Mr. Pierce holds stock options exercisable for up to 168,080 Common Shares at \$0.10 per share, representing 13.6% on a partially diluted basis.

## **9. BUSINESS OF THE MEETING**

To the knowledge of the directors of the Corporation, the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

(i) **Financial Statements**

Pursuant to the *Business Corporations Act* (British Columbia) (the “BCBCA”), the directors of the Corporation will place before the shareholders at the Meeting the financial statements of the Corporation for the financial years ended March 31, 2022, 2023 and 2024, and the auditors’ report’s thereon, and the financial statements of the Corporation for the three and six months ended September 30, 2024 (unaudited).

(ii) **Election of Directors**

The Board presently consists of three directors. All of the current directors have been directors since the dates indicated below and all three will be standing for re-election. The Board recommends that shareholders vote **FOR** the election of the three nominees of management listed in the following table.

Each director will hold office until his/her re-election or replacement at the next annual meeting of the shareholders unless he/she resigns his/her duties or his/her office becomes vacant following his/her death, dismissal or any other cause prior to such meeting

Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted for the election of the proposed nominees. **If any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion.**

*Advance Notice Provisions*

The Corporation’s Articles provide for advance notice of nominations of directors of the Corporation which require that advance notice be provided to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation other than pursuant to: (i) a requisition of a meeting of shareholders made pursuant to the provisions of the BCBCA; or (ii) a shareholder proposal made pursuant to the provisions of the BCBCA. A copy of the Articles are available under the Corporation’s profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

*Nominees to the Board of Directors*

Name and Residence	Position and Office	Principal Occupation, Business or Employment within the five preceding years <sup>(1)</sup>	Served as Director Since	Number of Common Shares over which Control or Direction is Exercised <sup>(1)</sup>
Toby Pierce <sup>(2)</sup> <i>Vancouver, British Columbia</i>	Chief Executive Officer & Director	Chief Executive Officer of the Corporation  Chief Executive Officer of TAG Oil Ltd. (TSXV: TAO) from June 2015 to December 2024	February 2, 2021	1,000,000 <sup>(3)</sup>
Dimitry Serov <sup>(2)</sup> <i>Richmond Hill, Ontario</i>	Director	President of American Aires Inc. (CSE: WIFI) since May 2012, and Chief Product Officer since February 2023.  Chief Executive Officer of American Aires Inc. from May 2012 to February 2023.	February 2, 2021	200,000 <sup>(4)</sup>
Mark Goodman <sup>(2)</sup> <i>Toronto, Ontario</i>	Director	Chairman of Copper Road Resources Inc. since 2005, and Interim Chief Executive Officer since May 2024	February 2, 2021	400,000 <sup>(5)</sup>

**Notes:**

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee.
- (3) In addition, Mr. Pierce holds stock options exercisable for up to 168,080 Common Shares.
- (4) In addition, Mr. Serov holds stock options exercisable for up to 168,080 Common Shares.
- (5) In addition, Mr. Goodman holds stock options exercisable for up to 168,080 Common Shares.

*Corporate Cease Trade Orders or Bankruptcies*

Other than as disclosed below, none of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i)

was subject to 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.

Toby Pierce is a director of Prospect Park Capital Corp. On February 3, 2023, the Ontario Securities Commission issued a failure-to-file cease trade order against Prospect Park Capital Corp. for failure to file audited financial statements for the financial year ended September 30, 2022 and related management's discussion and analysis and certifications.

None of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director or executive officer of any company (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.

#### *Penalties or Sanctions*

None of the proposed directors of the Corporation has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### *Personal Bankruptcies*

None of the proposed directors of the Corporation has, within the 10 years before the date hereof, 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.

#### **(iii) Appointment of Auditor**

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the re-appointment of De Visser Gray LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors of the Corporation to fix their remuneration.

The directors of the Corporation recommend that shareholders vote in favour of the appointment of De Visser Gray LLP, and the authorization of the directors of the Corporation to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

#### **(iv) Option Plan**

Under section 5.2(c) of Policy 4.4 – *Security Based Compensation* (“**TSXV Policy 4.4**”) of the TSX Venture Exchange (the “**TSXV**”) all rolling stock option plans, such as the Corporation's stock option plan (the “**Option Plan**”), approved June 1, 2021, must receive shareholder approval yearly, at the Corporation's annual shareholders meeting.

On February 17, 2025, the Board approved an amended and restated Option Plan to be effective upon approval of the shareholders at the Meeting, or any adjournment or postponement thereof. At the request of the TSXV, the amended and restated Option Plan includes some additional immaterial language incorporating certain language in the CPC Policy and TSXV Policy 4.4.

At the Meeting, shareholders will be asked to pass a resolution approving the amended and restated Option Plan, a copy of which is attached hereto as Schedule “A”. Accordingly, at the Meeting, shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

#### **“BE IT HEREBY RESOLVED THAT:**

- (1) the stock option plan of the Corporation, substantially in the form attached at Schedule “A” to the Management Information Circular of the Corporation dated February 17, 2025, be and the same is hereby ratified, confirmed and approved as the stock option plan of the Corporation;
- (2) any director or officer be and is hereby authorized to amend the stock option plan of the Corporation should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and

- (3) any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the Option Plan. The directors of the Corporation recommend that shareholders vote in favour of the approval of the Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

## **10. CORPORATE GOVERNANCE DISCLOSURE**

Set forth below is a description of the Corporation’s current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”):

### **Board of Directors**

The directors have determined that Dmitry Serov and Mark Goodman, current and prospective members of the Board, are independent as such term is defined in NI 58-101, and that Toby Pierce, a current and prospective member of the Board, is not independent as such term is defined in NI 58-101, as he is a current executive officer (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”)) of the Corporation.

The Board is comprised of only three members, accordingly, other than meetings held quarterly related to the approval and filing of quarterly financial statements, the Board and the independent directors engage on a regular basis on a more informal basis.

### **Directorships**

The following directors and prospective directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent):

<b>Name of Director</b>	<b>Name of Other Reporting Issuers</b>
Toby Pierce	Wittering Capital Corp.
	First Nordic Metals Corp.
	Prospect Park Capital Corp.
	Silver Viper Minerals Corp.
Dimitry Serov	American Aires Inc
Mark Goodman	Sterling Metals Corp.
	Copper Road Resources Inc.

### **Orientation and Continuing Education**

While the Corporation does not currently have a formal orientation and education program for new members of the Board, the Corporation provides such orientation and education on an ad hoc and informal basis. Directors are encouraged to communicate with management, auditors and technical consultants; and to keep themselves current with industry trends and developments and changes in legislation with management’s assistance. Directors have full access to the Corporation’s records.

### **Ethical Business Conduct**

The directors’ maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards, and in accordance with the policies of the TSXV. The Corporation’s reputation for honesty and integrity amongst its Shareholders and other stakeholders is key to the success of its business. No officer or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the Board or any committee of the Board on any motion to recommend or approve the relevant agreement or transaction. The Board must comply with conflict of interest provisions of the BCBCA.

### **Nomination of Directors**

Both the directors and management are responsible for selecting nominees for election to the Board. At present, there is no formal process established to identify new candidates for nomination. The Board and management determine the requirements for skills

and experience needed on the Board from time to time. For further information regarding the Board nomination procedures under the Corporation's Articles see "Election of Directors".

### **Other Board Committees**

The Board has no committees other than the Audit Committee and the Compensation Committee.

### **Compensation**

At present, no compensation (other than the grant of incentive stock options) is paid to the directors of the Corporation in their capacity as directors. The directors do not currently have a compensation committee. As a capital pool company pursuant to Policy 2.4 – *Capital Pool Companies* (the "**CPC Policy**") of the TSXV the Corporation is not permitted to compensate officers, including the Chief Executive Officer, for their services.

### **Assessments**

The directors believe that nomination to the Board is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the Board as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the Board.

## **11. AUDIT COMMITTEE**

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

### **Audit Committee Charter**

The Corporation's Audit Committee is governed by an audit committee charter, a copy of which is attached hereto as Schedule "B".

### **Composition of Audit Committee**

The Corporation's Audit Committee is comprised of the three (3) directors, Toby Pierce, Dimitry Serov and Mark Goodman. Each member of the audit committee is financially literate, as such term is defined in NI 52-110, and two of the members (Dimitry Serov and Mark Goodman) are independent, as such term is defined in NI 52-110 and in the BCBCA.

### **Relevant Education and Experience**

In addition to each member's general business experience, the education and experience of each audit committee member relevant to the performance of her/his responsibilities as an audit committee member is as follows:

#### *Toby Pierce*

Mr. Toby Pierce holds a Masters in Business Administration from the Rotman School of Business and a Bachelors of Science degree in Earth Sciences from the University of Victoria. He is currently an independent consultant providing oil and gas advisory services. He was the Chief Executive Officer of TAG Oil Ltd. from June 2015 to December 2024, and was a director of TAG Oil Ltd. until January 2025. Mr. Pierce has 28 years of geological and financial understanding within the resource sector. He was Chief Executive Officer and director of Crest Petroleum Corp. and formerly a Partner & Senior Oil Equity Analyst with GMP Securities and Tristone Capital in London, England. Over his ten years in the finance industry he has acquired extensive experience in mergers and acquisitions, initial public offerings, fundraisings, equity and asset valuations and investment advice.

#### *Dimitry Serov*

Mr. Serov is a Founder, the President and the Chief Product Officer of American Aires Inc., a CSE listed nanotechnology company which has developed proprietary silicon-based microprocessors that reduce the harmful effects of electromagnetic radiation (EMR). From May 2012 to February 2023 he was the Chief Executive Officer of American Aires Inc. Mr. Serov holds a diploma from St. Petersburg's College of Economics and Business Management which he obtained in 2003. Mr. Serov has held various sales and executive management positions in the automotive sector with BMW, Mercedes Benz and Audi.

#### *Mark Goodman*

Mr. Goodman has over 25 years public and mining company experience. Mr. Goodman is currently the Chairman (since 2005) and Interim Chief Executive Officer (since May 2024) of Copper Road Resources Inc. Mr. Goodman previously, over several years, served as Chief Operating Officer, Executive Vice-President, President and a director of Dundee Corporation, a TSX listed public mining merchant bank. He has served on several public company boards and executive positions of both public and private companies. He has been an officer or director of four CPC's (as such term is defined in the CPC Policy) that have completed Qualifying Transactions (as such term is defined in the CPC Policy).

### External Auditor Matters

Since the commencement of the Corporation's most recently completed financial year, the Corporation's directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed five percent (5%) of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation's directors and, where applicable, the Audit Committee, on a case-by-case basis.

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

The fees paid by the Corporation to its auditor in its previous financial year-ends, by category, are as follows (expressed in Canadian dollars):

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
March 31, 2024	\$8,400	\$3,000	\$2,300	-
March 31, 2023	\$8,400	-	-	-
March 31, 2022	\$8,400	-	-	-
March 31, 2021	\$4,200	-	-	-
Date of Incorporation (February 2, 2021) to March 31, 2021				

### Exemptions:

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## 12. EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

As at the date hereof, the Corporation had not yet completed a Qualifying Transaction (as such term is defined by the CPC Policy). Accordingly, the executive officers of the Corporation (Toby Pierce (Chief Executive Officer)), and Chris Beltgens (Chief Financial Officer)) (the "Named Executive Officers"), have not been paid any compensation since incorporation, as the CPC Policy prohibits directors and officers from receiving remuneration (other than incentive stock options) while the Corporation is a CPC.

### Option-Based Awards

On July 8, 2021, the date the Corporation closed its initial public offering (the "IPO"), the Corporation granted a total of 336,160 stock options to its Named Executive Officers, exercisable for a period of ten years from the date of grant, pursuant to its incentive stock option plan (the "Option Plan"). Each option entitles its holder to purchase one common share of the Corporation at an exercise price of \$0.10 per share. The allocation and number of options granted was determined by the Board and the exercise price was established by the directors in accordance with the policies of the TSXV and was based on the initial public offering price of

the Corporation's shares. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating its Named Executive Officers and to closely align the personal interests of such persons to that of the shareholders.

Option-based awards are designed to reward individual performance and contribution to the Corporation's objectives. Previous grants of option-based awards are taken into account when considering new grants.

The Option Plan provides the Board the ability, from time to time, in its discretion, and in accordance with the TSXV requirements, to grant directors, officers, employees and consultants to the Corporation and Eligible Charitable Organizations (as such term is defined in the CPC Policy) non-transferable stock options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the Common Shares of the Corporation issued and outstanding as at the date of grant of any stock options, and that the exercise period does not exceed 10 years from the date of grant. Stock options may not be issued to any person providing Investor Relations Activities (as defined in Policy 1.1 – *Interpretation* of the TSXV), promotional or market-making services for the Corporation.

The granting of options shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Common Shares issued and outstanding may be granted to any one Consultant (as such term is defined in the Option Plan) in any 12 month period;
- (b) not more than an aggregate of two (2%) percent of the Common Shares issued and outstanding may be granted in aggregate to Eligible Persons (as such term is defined in the Option Plan) conducting Investor Relations Activities in any 12 month period;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Common Shares issued and outstanding may be issued to any one individual in any 12 month period;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Common Shares issued and outstanding may be issued to Insiders (as such term is defined in the Option Plan) in any 12 month period;
- (e) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Common Shares issued and outstanding may be issued to Insiders at any point in time; and
- (f) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the exercise price or extend the expiration of options previously granted to Insiders.

In addition, until such time as the TSXV issues a Final QT Exchange Bulletin (as such term is defined in the CPC Policy):

- (a) not more than five (5%) percent of the Common Shares issued and outstanding may be reserved for issuance under an option to any one Executive (as such term is defined in the Option Plan) as at the date of grant of such option;
- (b) not more than an aggregate of two (2%) percent of the Common Shares issued and outstanding may be reserved for issuance under Options to all Technical Consultants (as such term is defined in the Option Plan) as at the date of grant of such Option; and
- (c) not more than an aggregate of one (1%) percent of the Common Shares issued and outstanding may be reserved for issuance under options to all Eligible Charitable Organizations.

The term of a stock option must expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Corporation, or of the Resulting Issuer (as such term is defined in the CPC Policy), as the case may be, subject to any earlier expiry date of such stock option.

All stock options and Common Shares issued prior to the date of the Final QT Exchange Bulletin (as such term is defined in the CPC Policy) pursuant to the exercise of stock options are subject to escrow under the CPC Escrow Agreement (as such term is defined in the CPC Policy). In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of stock options granted prior to the IPO with an exercise price that is less than \$0.10 (the issue price of the IPO) are also subject to escrow under the CPC Escrow Agreement.

At the Meeting, shareholders are being asked to approve an amended and restated Option Plan. See "Item 9 – Business of the Meeting – Option Plan".

#### **Summary Compensation Table for Named Executive Officers**

The Named Executive Officers of the Corporation, namely Toby Pierce (Chief Executive Officer) and Chris Beltgens (Chief Financial Officer), have not received any compensation from the Corporation since incorporation, other than stock options which are disclosed below.

## Incentive Plan Awards

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

The following table sets forth all awards outstanding for the Named Executive Officer's as of each financial year end of the Corporation since its IPO:

Name	Financial Year	Option-Based Awards				Share-Based Awards	
		Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Toby Pierce	2024	168,080	0.10	July 8, 2031	4,202	N/A	N/A
	2023	168,080	0.10	July 8, 2031	3,362	N/A	N/A
	2022	168,080	0.10	July 8, 2031	Nil	N/A	N/A
Chris Beltgens	2024	168,080	0.10	July 8, 2031	4,202	N/A	N/A
	2023	168,080	0.10	July 8, 2031	3,362	N/A	N/A
	2022	168,080	0.10	July 8, 2031	Nil	N/A	N/A

#### Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the Exchange as of the applicable financial year.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth the value of all incentive plan awards vested or earned for the Named Executive Officer's during each financial year of the Corporation since its IPO:

Name	Financial Year	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Toby Pierce	2024	N/A	N/A	N/A
	2023	N/A	N/A	N/A
	2022	Nil	N/A	N/A
Chris Beltgens	2024	N/A	N/A	N/A
	2023	N/A	N/A	N/A
	2022	Nil	N/A	N/A

#### Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options on the date they vest and the closing price of the Common Shares on the Exchange on such date, or in the event such date is not a trading date, the closing price on the next trading date.

## Pension Plan Benefits

The Corporation has not implemented a pension plan.

## Termination and Change of Control Benefits

As at the end of each of the Corporation's completed financial years since its IPO, the Corporation had not entered into any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an Named Executive Officer's responsibilities.

## Director Compensation

In accordance with the CPC Policy, no cash compensation was paid to any of the directors of the Corporation in their capacity as directors during any financial year of the Corporation since incorporation. The directors of the Corporation are eligible to receive options to purchase Common Shares pursuant to the terms of the Option Plan.

*Director Compensation Table for Directors (other than the Named Executive Officers)*

No compensation has been provided to any of the directors of the Corporation (other than the Named Executive Officers, whose disclosure with respect to compensation is set out above) since incorporation, other than stock options which are disclosed below.

*Outstanding Share-Based Awards and Option-Based Awards*

Name	Financial Year	Option-Based Awards				Share-Based Awards	
		Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Dimitry Serov	2024	168,080	0.10	July 8, 2031	4,202	N/A	N/A
	2023	168,080	0.10	July 8, 2031	3,362	N/A	N/A
	2022	168,080	0.10	July 8, 2031	Nil	N/A	N/A
Mark Goodman	2024	168,080	0.10	July 8, 2031	4,202	N/A	N/A
	2023	168,080	0.10	July 8, 2031	3,362	N/A	N/A
	2022	168,080	0.10	July 8, 2031	Nil	N/A	N/A

**Notes:**

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the Exchange as of the applicable financial year.

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth the value of all incentive plan awards vested or earned during each financial year of the Corporation since its IPO for each person who was a director of the Corporation during each financial year of the Corporation since its IPO (other than a director who is a Named Executive Officer, whose disclosure with respect to incentive plan awards is set out above):

Name	Financial Year	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dimitry Serov	2024	N/A	N/A	N/A
	2023	N/A	N/A	N/A
	2022	Nil	N/A	N/A
Mark Goodman	2024	N/A	N/A	N/A
	2023	N/A	N/A	N/A
	2022	Nil	N/A	N/A

**Notes:**

- (1) Aggregate value is calculated based on the difference between the exercise price of the options on the date they vest and the closing price of the Common Shares on the Exchange on such date, or in the event such date is not a trading date, the closing price on the next trading date.

### 13. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the end of each financial year since the Corporation's IPO regarding the number of Common Shares to be issued pursuant to equity compensation plans of the Corporation and the weighted -average exercise price of said securities:

Plan Category	Financial Year	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
	2024	-	-	-

<b>Equity compensation plans approved by securityholders</b>	2023	-	-	-
	2022	-	-	-
<b>Equity compensation plans not approved by securityholders</b>	2024	840,400	\$0.10	-
	2023	840,400	\$0.10	-
	2022	840,400	\$0.10	-
<b>Total</b>	<b>2024</b>	<b>840,400</b>	<b>\$0.10</b>	<b>-</b>
	<b>2023</b>	<b>840,400</b>	<b>\$0.10</b>	<b>-</b>
	<b>2022</b>	<b>840,400</b>	<b>\$0.10</b>	<b>-</b>

The securities referred to in the table above were granted under the Option Plan.

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

None of the directors, the proposed nominees for election as director, the executive officers of the Corporation, or any of their respective associates or affiliates is or has been, during the any financial year of the Corporation since its incorporation, indebted to the Corporation or any of its subsidiaries in respect of loans, advances or guarantees of indebtedness.

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

Other than as noted below, none of the informed persons (as such term is defined in NI 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Corporation since the commencement of the Corporation's financial year ended March 31, 2022 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

On March 21, 2024, the Corporation entered into a non-binding letter of intent with J2 Metals Inc. ("J2") whereby the Corporation will acquire all of the issued and outstanding securities of J2 by way of a share exchange, amalgamation or such other form of business combination as the parties may determine.

On December 23, 2024, the Corporation entered into a definitive amalgamation agreement with J2 pursuant to which a wholly-owned subsidiary of the Corporation will amalgamate with J2 under the BCBCA (the "**Amalgamation**"). The Amalgamation will result in a reverse-takeover of the Corporation and is intended to constitute the Corporation's Qualifying Transaction (as such term is defined by the CPC Policy), subject to several conditions, including TSXV approval. Following the completion of the Amalgamation, the Company, as the issuer resulting therefrom, is expected to carry on the current business of J2.

Toby Pierce, an officer and director of the Corporation, and Chris Beltgens, an officer of the Corporation, are directors of J2. Mr. Pierce currently holds 1,000,000 Common Shares, representing 11.9% of the outstanding Common Shares and 1,213,600 shares of J2, representing 21.9% of the outstanding shares of J2. Mr. Beltgens currently holds 340,000 Common Shares, representing 4.0% of the outstanding Common Shares and 35,000 shares of J2, representing 0.7% of the outstanding shares of J2.

#### **17. MANAGEMENT CONTRACTS**

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

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

Other than the foregoing, management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

#### **19. ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and is provided in the Corporation's financial statements and Management's Discussion and Analysis all as filed on SEDAR+ ([www.sedarplus.com](http://www.sedarplus.com)), copies of which may be obtained from the Corporation upon request. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DATED this 17<sup>th</sup> day of February, 2025.

**BY ORDER OF THE BOARD**

*(signed) "Toby Pierce"*  
Chief Executive Officer

**SCHEDULE “A”**

**OPTION PLAN**

(see attached)

**AMENDED AND RESTATED STOCK OPTION PLAN OF  
CRANSTOWN CAPITAL CORP.**  
(effective March 14, 2025)

**PART 1 - INTRODUCTION**

**1.01 Purpose**

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and, subject to the terms and conditions herein, consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success.

**1.02 Definitions**

- (a) “Affiliate” has the meaning ascribed thereto in the *Business Corporations Act* (Ontario) as amended from time to time.
- (b) “Associate” has the meaning ascribed to such term in the *Securities Act* (Ontario).
- (c) “Blackout Period” means a period during which the Corporation prohibits Optionees from exercising their Options.
- (d) “Board” means the board of directors of the Corporation.
- (e) “Completion of the Qualifying Transaction” has the meaning ascribed to such term in Policy 2.4.
- (f) “Consultant” has the meaning ascribed to such term in Policy 4.4.
- (g) “Corporation” means Cranstown Capital Corp., a corporation existing under the laws of the Province of British Columbia, and its Affiliates, if any, and includes any successor or assignee entity or entities into which the Corporation may be merged, changed, or consolidated; any entity for whose securities the securities of the Corporation shall be exchanged; and any assignee of or successor to substantially all of the assets of the Corporation.
- (h) “Market Price” has the meaning ascribed to such term in Policy 1.1.
- (i) “Eligible Person” shall mean an officer or director of the Corporation (“**Executive**”) or an employee of the Corporation (“**Employee**”) or a Management Company Employee or a Consultant.
- (j) “Exchange” means the TSX Venture Exchange.
- (k) “Exercise Notice” means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate, duly executed by the Optionee.
- (l) “Exercise Price” means the price at which an Option may be exercised as determined in accordance with section 2.03.
- (m) “Final QT Exchange Bulletin” has the meaning ascribed thereto in the Policy 2.4.
- (n) “Insider” means (i) an insider as defined in the *Securities Act* (British Columbia), other than a person who falls within the definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an Associate of any person who is an insider by virtue of the preceding sub-clause (i).
- (o) “Investor Relations Activities” has the meaning ascribed to such term in Policy 1.1.

- (p) “Management Company Employee” has the meaning ascribed to such term in Policy 4.4.
- (q) “Material Information” has the meaning ascribed to such term in Policy 1.1.
- (r) “Option” shall mean an option granted under the terms of the Plan.
- (s) “Option Certificate” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option.
- (t) “Option Period” shall mean the period during which an option may be exercised.
- (u) “Optionee” shall mean an Eligible Person to whom an Option has been granted under the terms of the Plan.
- (v) “Outstanding Issue” means the number of Shares outstanding on a non-diluted basis.
- (w) “Plan” means the stock option plan established and operated pursuant to Part 2 hereof.
- (x) “Policy 1.1” means the Exchange’s Policy 1.1 entitled “Interpretation” as amended from time to time.
- (y) “Policy 2.4” means the Exchange’s Policy 2.4 entitled “Capital Pool Companies” as amended from time to time.
- (z) “Policy 4.4” means the Exchange’s Policy 4.4 entitled “Incentive Stock Options” as amended from time to time.
- (aa) “Shares” shall mean the common shares of the Corporation.
- (bb) “Technical Consultant” means a technical consultant whose particular industry expertise in relation to the business of the Corporation is required to evaluate a proposed Qualifying Transaction (as such term is defined in Policy 2.4).

## **PART 2 - SHARE OPTION PLAN**

### **2.01 Participation**

Options shall be granted only to Eligible Persons.

### **2.02 Determination of Option Recipients**

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant.

### **2.03 Price**

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be determined from time to time by the Board and shall be as set forth in the Option Certificate issued in respect of such Option but, in any event, shall not be less than the Market Price.

### **2.04 Grant of Options**

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall

be determined by the Board when the grant is authorized.

Prior to the issuance of the Final QT Exchange Bulletin the Board shall not grant Options to an Eligible Person providing Investor Relations Activities.

In the event that Options are granted to Employees, Management Company Employees or Consultants, the Corporation represents that such Optionees shall be bona fide Employees, Management Company Employees or Consultants, as the case may be.

The Corporation may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with Part 2 hereof including, without limitation, terms and conditions deferring or delaying the date at which an Option may be exercised in whole or in part. Such additional terms and conditions shall be as set forth in the Option Certificate issued in respect of such Option.

Notwithstanding any of the foregoing provisions, the Board may authorize the grant of an Option to a person not then in the employ of the Corporation or of an Affiliate, conditioned upon such person becoming eligible to become an Eligible Person at or prior to the execution of the Option Certificate evidencing the actual grant of such Option.

## **2.05 Term of Options**

Unless otherwise expired pursuant to the terms of the Plan, all Options granted to an Optionee pursuant to this Plan shall expire at the close of business ten (10) years from the date of grant, or such earlier date as the Board shall decide when the Option is granted.

Upon the expiration of the Option Period the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

Notwithstanding the foregoing, if the expiration of the Option Period falls within a Blackout Period the expiration of the Option Period shall be automatically extended for ten (10) business days after the expiry of the Blackout Period on the condition that (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (iii) the automatic extension of an Optionee's options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

No Optionee or his or her legal representative, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him, her or them or a securities intermediary with whom the Optionee (or his or her legal representative, legatees or distributees) has an account, is recorded as the owner of such Shares in a book-entry system under the terms of the Plan.

## **2.06 Exercise of Options**

Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise;

- (a) in the case of an Employee, in the employ of the Corporation or any Affiliate and shall have been continuously so employed since the grant of his or her Option, or have been a Consultant of the Corporation during such time thereafter, but absence on leave, having the approval of the Corporation or such Affiliate, shall not be considered an interruption of employment for any purpose of the Plan;
- (b) in the case of a Consultant, under contract with the Corporation or any Affiliate and shall have been continuously so contracted since the grant of the Option; or
- (c) in the case of an Executive, a director or officer of the Corporation or any Affiliate and shall have

been such a director or officer continuously since the grant of his or her Option.

No Option may be exercised by an Optionee until the Plan has been approved by the shareholders of the Corporation.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Shares being purchased by 5:00 p.m. (EST) on the last day of the Option Period by delivering to the Corporation an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

Notwithstanding anything to the contrary herein, Options granted prior to the issuance of the Final QT Exchange Bulletin may not be exercised before the Completion of the Qualifying Transaction unless the Optionee agrees in writing to deposit the Shares acquired into escrow until the issuance of the Final QT Exchange Bulletin.

## **2.07 Vesting of Options**

### Executives, Employees, Management Company Employees and Consultants

All Options granted to an Eligible Person, other than an Optionee performing Investor Relations Activities, pursuant to this Plan shall vest and become fully exercisable as determined by the Board when the Option is granted.

### Optionees performing Investor Relations Activities

All Options granted to Optionees performing Investor Relations Activities, pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted, but in any event such Options shall not vest any sooner:

- (a) one quarter (1/4) of the Options on the date which is three (3) months from the date said Options are granted;
- (b) one quarter (1/4) of the Options on the date which is six (6) months from the date said Options are granted;
- (c) one quarter (1/4) of the Options on the date which is nine (9) months from the date said Options are granted; and
- (d) the final one quarter (1/4) of the Options on the date which is twelve (12) months from the date said Options are granted.

## **2.08 Restrictions on Grant of Options**

The granting of Options shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Outstanding Issue may be granted to any one Consultant in any 12 month period;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue may be granted in aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Outstanding Issue may be issued to any one individual in any 12 month period;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issued to Insiders in any 12 month period;

- (e) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issued to Insiders at any point in time; and
- (f) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price or extend the expiration of Options previously granted to Insiders.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by (i) Insiders to whom options may be granted under the stock option plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

Notwithstanding the foregoing, prior to the issuance of the Final QT Exchange Bulletin:

- (a) not more than five (5%) percent of the Outstanding Issue may be reserved for issuance under an Option to any one Executive as at the date of grant of such Option;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue may be reserved for issuance under Options to all Technical Consultants as at the date of grant of such Option; and
- (c) not more than an aggregate of one (1%) percent of the Outstanding Issue may be reserved for issuance under Options to all Eligible Charitable Organizations (as such term is defined in Policy 2.4).

## **2.09 Lapsed Options**

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

## **2.10 Effect of Termination of Employment, Death or Disability**

- (a) If an Optionee shall die while employed or retained by the Corporation, or while an Executive, any Options held by the Optionee at the date of death, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part, but only by the persons or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution (the "**Successor Optionee**"). All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, except that in the event the expiration of the Option Period is earlier than one (1) year after the date of death, with the consent of the Exchange, the Options shall be exercisable for up to one (1) year after the date of death of the Optionee as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death.
- (b) If the employment or engagement of an Optionee shall terminate with the Corporation due to disability while the Optionee is employed or retained by the Corporation, any Option held by the Optionee on the date the employment or engagement of the Optionee is terminated due to disability, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her termination due to disability and only for one (1) year after the date of termination or prior to the expiration of the Option Period in respect thereof, whichever is sooner, provided that Options that become exercisable due to disability shall only be exercisable by the person or persons who have the legal authority to act on behalf of the Optionee in connection with the rights of the Optionee to the Options. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the employment or engagement of the Optionee is terminated due to disability which have not yet vested shall vest immediately upon such date.

- (c) Subject to section 2.10(d) and (e), if an Optionee ceases to be an Eligible Person (other than as provided in section 2.10(a), (b), (d) or (e)), any Options held by the Optionee on the date such Optionee ceased to be an Eligible Person, which have vested pursuant to section 2.07, shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date such Optionee ceased to be an Eligible Person and only for ninety (90) days after the date such Optionee ceased to be an Eligible Person, or such later date, up to one (1) year, as the Board shall decide when the Option is granted, subject to the Board's discretion to extend such period for up to one (1) year, or prior to the expiration of the Option Period in respect thereof, whichever is sooner. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the Optionee ceased to be an Eligible Person which have not yet vested shall vest immediately upon such date.
- (d) If the employment of an Employee or Consultant is terminated for cause (as determined by the Board) no Option held by such Optionee may be exercised following the date upon which Termination occurred.
- (e) If an Optionee ceases to be an Eligible Person concurrently with, and in connection with, the Completion of the Qualifying Transaction, any Options held by the Optionee on the date such Optionee ceased to be an Eligible Person, which have vested pursuant to section 2.07, shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date such Optionee ceased to be an Eligible Person and only for one (1) year after the date such Optionee ceased to be an Eligible Person.

## **2.11 Effect of Offer or Sale**

If at any time when the Option hereby granted remains unexercised with respect to any Shares, (a) a general offer to purchase all of the issued shares of the Corporation is made by a third party or (b) the Corporation proposes to sell all or substantially all of its assets and undertaking or to merge, amalgamate or be absorbed by or into any other company (save and except for a subsidiary or subsidiaries of the Corporation) under any circumstances which involve or may involve or require the liquidation of the Corporation, a distribution of its assets among its shareholders, or the termination of its corporate existence, the Corporation shall use its reasonable best efforts to provide notice of such offer or proposal to the Optionee as soon as practicable and (i) the Corporation may, at its option, permit the Option hereby granted to be exercised, as to all or any of the Optioned Shares in respect of which such Option has not previously been exercised by the Optionee at any time up to and including (but not after) a date twenty (20) days following the date of notice of such offer, sale or other similar transaction or prior to the close of business on the expiration date of the Option Period, whichever is the later; and (ii) the Corporation may, at its option, determine that upon the expiration of such twenty (20) day period, all rights to exercise the Option shall terminate and cease to have any further force or effect.

The Corporation may, in its sole discretion and without the consent of Optionees, provide for one or more of the following: (i) the assumption of the Plan and outstanding Options by the surviving entity or its parent; (ii) the substitution by the surviving entity or its parent of Options with substantially the same terms for such outstanding Options; (iii) immediate exercisability of such outstanding Options followed by cancellation of such Options; and (iv) settlement of the intrinsic value of the outstanding vested Options in cash or cash equivalents or equity followed by the cancellation of all Options (whether or not then vested or exercisable).

## **2.12 Effect of Amalgamation, Consolidation or Merger**

If the Corporation amalgamates, consolidates with or merges with or into another corporation, upon the exercise of an Option following such amalgamation, consolidation or merger, the Optionee shall be entitled to receive, and shall accept, in lieu of Shares, the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his Option and held Shares immediately prior to the effective date of such amalgamation, consolidation or merger, and the number of Shares and the option price shall be adjusted appropriately by the directors of the Corporation and such adjustment shall be binding for all purposes herein.

## **2.13 Adjustment in Shares Subject to the Plan**

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Exercise Price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

#### **2.14 Hold Period**

All Options and any Shares issued on the exercise of Options may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Options may be subject resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

#### **2.15 Notification of Grant of Option**

Following the granting of an Option by the Board, the Corporation shall notify the Optionee in writing of the Option and shall enclose with such notice the Option Certificate representing the Option so granted. Each Optionee, concurrently with the notice of the grant of an Option, shall be provided with a copy of the Plan.

#### **2.17 Disclosure of Personal Information**

By acceptance of an Option Certificate representing the grant of an Option, the Optionee is deemed to consent to (a) the disclosure of Personal Information by the Corporation to the Exchange (as defined in Appendix 6A of the Exchange) pursuant to Form 4G *Summary Form – Incentive Stock Options* (“**Form 4G**”) of the Exchange, and (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6A of the Exchange or as otherwise identified by the Exchange, from time to time. “Personal Information” means any information about an identifiable individual, and includes the information contained in the tables, as applicable, found in Form 4G.

#### **2.18 Options Granted to Corporations**

Except in relation to a Consultant that is a corporation, Options may only be granted to an individual or a corporation that is wholly-owned by an Eligible Person. If a corporation is an Optionee, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

### **PART 3 - GENERAL**

#### **3.01 Number of Shares**

The aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue.

Any Shares subject to an Option which has been granted under the Plan and which is cancelled or terminated in accordance with the terms of the Plan without being exercised as provided for in this Plan shall again be available under the Plan.

#### **3.02 Transferability**

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee, all benefits, rights and options may only be exercised by the Optionee.

#### **3.03 Employment**

Nothing contained in any Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Optionee's employment at any time. Participation in any Plan by an Optionee is voluntary.

### **3.04 Approval of Plan**

Options issued under the Plan shall only become exercisable after the Plan has been approved by the shareholders of the Corporation; provided, however:

- (a) unless consistent with the terms contained herein and approved by the Board, nothing contained herein shall in any way affect Options previously granted by the Corporation and currently outstanding; and
- (b) the Plan must receive shareholder approval yearly, at the Corporation's annual general meeting.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's option price paid to the Corporation shall be returned to the Optionee.

### **3.05 Administration of the Plan**

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

### **3.06 Income Taxes**

As a condition of and prior to participation in the Plan, if requested by the Board, a Optionee shall authorize the Corporation in written form to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

In addition, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits to the Optionee and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall (i) pay to the Corporation, in addition to the Exercise Price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance, (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance, or (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

### **3.07 Amendments to the Plan**

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendments of the Plan which could result, at any time, in:

- (a) a material increase in the benefits under the Plan; or
- (b) an increase in the number of Shares which would be issued under the Plan (except any increase resulting automatically from an increase in the total Outstanding Issue); or

(c) a material modification in the requirement as to eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Corporation.

### **3.08 No Representation or Warranty**

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

### **3.09 Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

### **3.10 Compliance with Applicable Law, etc.**

If any provision of the Plan or of any Option Certificate delivered pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

### **3.11 Policy 2.4**

Notwithstanding anything to the contrary herein, any Options granted prior to the issuance of the Final QT Exchange Bulletin must comply with Policy 2.4.

**SCHEDULE "A"**

**CRANSTOWN CAPITAL CORP.  
STOCK OPTION PLAN**

**If issued to officers or directors or at a discount to the Market Price - WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND A DAY FROM THE GRANT DATE].**

**CRANSTOWN CAPITAL CORP.**

**STOCK OPTION PLAN  
OPTION CERTIFICATE**

**(Canadian Optionees)**

This Certificate is issued pursuant to the provisions of the Cranstown Capital Corp. (the "**Corporation**") stock option plan (the "**Plan**") and evidences that \_\_\_\_\_ is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to \_\_\_\_\_ common shares (the "**Shares**") in the capital stock of the Corporation at a purchase price of CAD\$ \_\_\_\_\_ per Share (the "**Exercise Price**").

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is \_\_\_\_\_;
- (b) the Option expires at 5:00 p.m. (EST) on \_\_\_\_\_; and
- (c) the Options shall vest as follows:

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (EST) on the expiration date of the Option Period by delivering to the Corporation an Exercise Notice, in the form attached as Appendix A, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

If the Optionee ceases to be employed or retained by the Corporation (other than as a result of death, disability or termination for cause or pursuant to section 2.10(e) of the Plan), any Options held by the Optionee on the date such Optionee ceased to be employed or retained by the Corporation, which have vested, shall be exercisable only to the extent that the Optionee was entitled to exercise the Option on the date such Optionee ceased to be employed or retained by the Corporation and only for ninety (90) days after the date the Optionee ceased to be employed or retained by the Corporation. In the event the Optionee ceases to be employed or retained by the Corporation as a result of death, disability or termination for cause, the Options will be treated as contemplated in Section 2.10 of the Plan.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions and may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. The Options hereby granted are subject to the approval of the Exchange.

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

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**CRANTOWN CAPITAL CORP.**

Per:

\_\_\_\_\_  
Authorized Signatory

**APPENDIX "A"**  
**CRANSTOWN CAPITAL CORP.**

**STOCK OPTION PLAN**  
**EXERCISE NOTICE**

**TO: CRANSTOWN CAPITAL CORP. (the "Corporation")**

1. The undersigned (the "**Optionee**"), being the holder of options to purchase \_\_\_\_\_ common shares of the Corporation at the exercise price of \_\_\_\_\_ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for \_\_\_\_\_ of such common shares of the Corporation.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the Optionee to be mailed to the Optionee at the following address:

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

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

4. The Optionee is resident in Canada.

5. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws.

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

\_\_\_\_\_  
**Signature of Optionee**

**SCHEDULE “B”**

**AUDIT COMMITTEE CHARTER**

(see attached)

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

**AUDIT COMMITTEE CHARTER**

**I. Mandate**

The primary function of the audit committee (the “**Committee**”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting, and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements.
- Review and appraise the performance of the Corporation’s external auditors.
- Provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board of Directors.

**II. Composition**

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be independent directors.

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

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

**III. Meetings**

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

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Audit Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in that capacity, and the external auditor.

**IV. Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

**Documents/Reports Review**

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

**External Auditors**

3. Require the external auditors to report directly to the Committee.
4. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
5. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation.
6. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
7. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
8. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
9. Review with management and the external auditors the terms of the external auditors' engagement letter.
10. At each meeting, may consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
11. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
12. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
13. 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 Corporation's

external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- i. the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent (5%) of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
- ii. such services were not recognized by the Corporation 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 Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

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

#### **Financial Reporting Process**

14. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
15. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
16. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
17. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
18. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
19. Review any significant disagreement among management and the external auditors regarding financial reporting.
20. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
21. Review the certification process.
22. Establish procedures for:
  - i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

- ii. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

**Other**

- 23. Review disclosure of any related-party transactions.

**V. Authority**

The Committee may:

- (a) engage independent outside counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.