



EMERGE COMMERCE LTD.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on Monday, June 30, 2025

AND

MANAGEMENT INFORMATION CIRCULAR

MAY 13, 2025

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The annual general meeting (the “**Meeting**”) of the shareholders of EMERGE Commerce Ltd. (“**Emerge**” or the “**Corporation**”) will be held at the offices of the Corporation at 180 John Street, Unit 329, Toronto, Ontario on June 30, 2025, at 1:00 p.m. (Toronto Time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2024, together with the auditors’ report thereon;
2. to elect four directors of the Corporation for the ensuing year;
3. to re-appoint MNP LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors; and
4. to transact any other business that may properly come before the Meeting or any adjournment of the Meeting.

All matters set forth above for consideration at the Meeting are more particularly described in the accompanying management information circular of the Corporation (the “**Information Circular**”).

The Corporation is using the notice-and-access provisions (“**Notice and Access**”) under the Canadian Securities Administrators’ National Instrument 54-101 for the delivery of its Information Circular to its shareholders for the Meeting. Under Notice and Access, instead of receiving paper copies of the Information Circular, shareholders will be receiving a Notice and Access notification with information on how they may obtain a copy of the Information Circular electronically or request a paper copy. Registered shareholders will still receive a proxy form (the “**Proxy**”) enabling them to vote at the Meeting. The use of the alternative Notice and Access procedures in connection with the Meeting helps reduce paper use, as well as the Corporation’s printing and mailing costs. The Corporation will arrange to mail paper copies of the Information Circular to those registered shareholders who have existing instructions on their account to receive paper copies of the Corporation’s meeting materials. In order to receive a paper copy in time to vote before the meeting, your request should be received by June 20, 2025.

The Information Circular and other Meeting materials will be available on the TSX Trust Company’s website at <https://docs.tsxtrust.com/2313> as of May 30, 2025, and will remain on the website for one full year thereafter. Meeting materials are also available upon request, without charge, by email at tsxtis@tmx.com or by calling toll free at 1-866-600-5869 (Canada and U.S.A.) or at 416 342-1091, or can be accessed online under the Corporation’s profile on SEDAR+ at www.sedarplus.ca, as of May 30, 2025.

Only shareholders of record at the close of business on May 13, 2025, will be entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. Shareholders who are unable to or who do not wish to attend the Meeting are requested to date and sign the Proxy promptly and return it, either in the self-addressed envelope provided for that purpose or by any of the other methods indicated in the Proxy. To be used at the Meeting, proxies must be received by 1:00 p.m. (Toronto time) on June 26, 2025, or, if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time the Meeting is reconvened, or may be accepted by the chair of the Meeting prior to the commencement of the Meeting. If a registered shareholder receives more than one Proxy because such shareholder owns shares registered in different names or addresses, each Proxy should be completed and returned.

By Order of the Board of Directors

“Ghassan Halazon”

Ghassan Halazon

Director, President and CEO

EMERGE Commerce Ltd.

May 13, 2025

**EMERGE COMMERCE LTD.
MANAGEMENT INFORMATION CIRCULAR**

Dated May 13, 2025

This management information circular (the “Circular”) contains information as of May 13, 2025 (unless otherwise noted). Unless otherwise indicated, all amounts are stated in Canadian dollars. Unless otherwise indicated, all references to “shares” or “common shares” mean common shares of EMERGE Commerce Ltd. A copy of this Circular is available under the Corporation’s profile on SEDAR+ at www.sedarplus.ca.

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of EMERGE Commerce Ltd. (“we”, “us” or the “Corporation”) for use at the annual general and special meeting (the “Meeting”) of the shareholders of the Corporation to be hosted at the offices of the Corporation at 180 John Street, Unit 329, Toronto, Ontario M5T 1X5 on June 30, 2025, at 1:00 p.m. (Toronto Time), and at all adjournments of the Meeting, for the purposes set out in the notice of the Meeting that accompanies this Circular (the “Notice of Meeting”). The Corporation will conduct its solicitation by mail, and our officers, directors and employees may, without receiving compensation, contact shareholders by telephone, electronic means or personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. The Corporation will pay the expenses of this solicitation.

APPOINTMENT OF PROXYHOLDER

The person(s) designated by management of the Corporation as proxyholders in the provided proxy form (the “Proxy”) are the Corporation’s directors or officers (the “Management Proxyholders”). **If you are a registered shareholder, you have the right to appoint a person other than a Management Proxyholder to vote on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the Proxy and strike out the other names or complete and deliver another appropriate Proxy.** A proxyholder need not be a shareholder.

If you are a Beneficial Shareholder (as defined herein) and want to vote at the Meeting, you must appoint yourself as proxyholder.

A Proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

REVOCABILITY OF PROXY

Any shareholder who has returned a Proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a shareholder, a shareholder’s attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a Proxy by instrument in writing, including a Proxy bearing a later date. The instrument revoking the Proxy must be deposited at the offices of TSX Trust Company, the registrar and transfer agent for the Corporation’s common shares (the “Transfer Agent”), at 301-100 Adelaide St. W., Toronto, Ontario, M5H 4H1, at any time up to 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto) prior to the time of the Meeting or any adjournment thereof, or with the chair of the Meeting on the day of the Meeting.

COMPLETION AND VOTING OF PROXIES

The Management Proxyholders or other named proxyholder will vote the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions contained in that proxy. If the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. In the absence of a specified choice, the shares will be voted “**FOR**” each of the matters referred to in this Circular.

The Proxy confers discretionary authority on the Management Proxyholders or other named proxyholder with respect to amendments to, or variations of, matters identified in the Notice of Meeting, and with respect to other matters, if any, which may properly come before the Meeting. At the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the Proxy will be voted on those matters in accordance with the best judgment of the Management Proxyholder or other named proxyholder.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set out in this section is of significant importance to many holders of common shares, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those common shares will not be registered in the shareholder’s name on the records of the Corporation. Those shares will most likely be registered under the name of the shareholder’s broker or an agent of that broker. More particularly, a person is a Beneficial Shareholder in respect of common shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the common shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIAs, RESPs and similar plans; each, an “**Intermediary**”); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)), of which the Intermediary is a participant. In Canada, the vast majority of those shares are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Common shares held in the names of an Intermediary can only be voted in accordance with the instructions of the Beneficial Shareholder. Without specific voting instructions, Intermediaries are prohibited from voting common shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or that the common shares are duly registered in their name.**

Applicable Canadian securities regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting.

In Canada, the majority of brokers now delegate responsibility for obtaining voting instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”). Broadridge supplies a voting instruction form (“**Broadridge VIF**”) and asks Beneficial Shareholders to complete and return the Broadridge VIF to Broadridge in accordance with the instructions set out in the Broadridge VIF. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving such a Broadridge VIF from Broadridge cannot use that Broadridge VIF to vote common shares directly at the Meeting. The Broadridge VIF must be returned to Broadridge well in advance of the Meeting and as stipulated by Broadridge in the Broadridge VIF, in order to instruct Broadridge how to vote the common shares.**

In addition, the Corporation has decided to take advantage of certain provisions of applicable securities regulatory requirements that permit it to deliver meeting materials directly to non-objecting beneficial owners. These materials are being sent to both registered and non-registered owners of common shares. If you are a Beneficial Shareholder and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the Corporation’s voting instruction form (the “**Corporation VIF**”) from the Transfer Agent. The Corporation VIFs are to be completed and returned to the Transfer Agent in the envelope provided or by any of the other methods indicated in the Corporation VIF. The Transfer Agent will tabulate the results of the Corporation VIFs received and will provide appropriate instructions at the Meeting with respect to the common shares represented by the Corporation VIFs they receive.

If you are a Beneficial Shareholder, and wish to appoint some other person or company, who need not be a shareholder, to attend and act on your behalf at the Meeting or any adjournment or postponement of the Meeting, please insert the name of your chosen appointee in the space provided in the Corporation VIF or, if receiving a Broadridge VIF, follow the instructions contained in the Broadridge VIF.

Beneficial Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “**Non-Objecting Beneficial Owners**” or “**NOBOs**”. Beneficial Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as “**Objecting Beneficial Owners**” or “**OBOs**”.

In accordance with the requirements of the Canadian Securities Administrators’ National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”), the Corporation has elected to send the Notice and Access Notification (as defined herein) in connection with the Meeting directly to the NOBOs and indirectly through Intermediaries to the OBOs. The Corporation does not intend to pay for Intermediaries to forward the Circular and the Proxy to OBOs.

NOTICE-AND-ACCESS

The Corporation has decided to take advantage of the notice-and-access provisions (“**Notice and Access**”) under NI 54-101 for the delivery of this Circular to its shareholders for the Meeting. The use of the Notice and Access procedures in connection with the Meeting helps reduce paper use, as well as the Corporation’s printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of this Circular, shareholders receive a notice (the “**Notice and Access Notification**”) with information on the Meeting date, location and purpose of the Meeting, as well as information on how to return their Proxy and how they may access this Circular electronically or request a paper copy. The Corporation will arrange to mail paper copies of this Circular to those shareholders who have existing instructions on their account to receive paper copies of the Corporation’s proxy-related materials. In order to receive a paper copy in time to vote before the meeting, your request should be received by June 19, 2025.

RECORD DATE

The directors have fixed May 13, 2025, as the record date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record at the close of business on that date are entitled to vote at the Meeting.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of a material interest, direct or indirect, by way of beneficial ownership of shares or otherwise, of any director or officer of the Corporation at any time since the beginning of the Corporation’s last financial year, of any proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of this Circular, there are 142,248,670 common shares of the Corporation issued and outstanding. Each common share has the right to one vote on each matter at the Meeting.

To the knowledge of the directors and officers of the Corporation, no persons or companies beneficially own, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding common shares of the Corporation.

Annual Disclosure Documents

The Corporation’s annual disclosure documents, including its annual financial statements and notes thereto and management’s discussion and analysis, are available under the Corporation’s SEDAR+ profile at www.sedarplus.ca

and may also be obtained by sending a written request to the Corporate Secretary of the Corporation at the Corporation's office located at 180 John Street, Unit 329, Toronto, Ontario M5T 1X5. .

ELECTION OF DIRECTORS

Directors are elected at each annual meeting to hold office until the next annual meeting of the shareholders of the Corporation or until their successor is duly elected or appointed, unless their office is vacated prior to such time. In the absence of instructions to the contrary, Proxies will be voted for the nominees listed in this Circular. Shareholders will be asked to pass an ordinary resolution to elect four directors of the Corporation for the ensuing year.

The Corporation is required to have an audit committee (the “**Audit Committee**”). Members of the Audit Committee are identified in the table below. The Corporation also has a compensation committee (the “**Compensation Committee**”), the members of which are set out in the table below. The Corporation does not have an executive committee.

Management proposes to nominate the persons named in the table below for election as directors at the Meeting. Management does not anticipate that any nominee will be unable to serve as a director. If, before the Meeting, any vacancy occurs in the slate of nominees listed below, the person named in the Proxy will exercise their discretionary authority to vote the shares for the election of any other person or persons as director(s). The information concerning the proposed nominees in the table below has been furnished by each of them.

Name, province or state and country of residence and present office held	Director Since	Number of shares owned, directly or indirectly, or over which control or direction is exercised ⁽¹⁾	Principal occupation and, if not previously elected, principal occupation during the past five years
Drew Green ⁽²⁾⁽³⁾ British Columbia, Canada <i>Chairman and Director</i>	December 7, 2020	6,811,564	President and CEO of INDOCHINO
Ghassan Halazon Ontario, Canada <i>CEO, President and Director</i>	December 7, 2020	11,515,130	Chief Executive Officer and President of EMERGE Commerce Ltd.
John Kim ⁽²⁾⁽³⁾ Ontario, Canada <i>Director</i>	December 7, 2020	741,692	Independent businessman and director advising a number of public and private companies
Ian McKinnon ⁽²⁾⁽³⁾ Ontario, Canada <i>Director</i>	June 28, 2022	661,692	Director, MessagePoint; former director, Sylogist Ltd.; former director, Quarterhill Inc.; former director, Constellation Software Inc.

Notes:

- (1) Information regarding the shares beneficially owned, directly or indirectly, or over which control or direction is exercised, directly or indirectly, by the persons included in the table is provided as at the date of this Circular and is based upon information furnished to the Corporation by the persons included in the table.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.

Cease Trade Orders and Bankruptcies

To the knowledge of the Corporation's management, except as set out below, no proposed director of the Corporation:

- (a) is, as at the date of this Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
 - (i) was the subject of an order lasting longer than thirty consecutive days 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;
- (b) is, as at the date of this Circular, or has been, within the preceding 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;
- (c) has, within the preceding 10 years, 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 that proposed director; and
- (d) has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On May 6, 2022, the Ontario Securities Commission (the “**OSC**”) issued a cease trade order against American Aires Inc., where Drew Green serves as a director and Chairman, for failure of American Aires Inc. to file its audited financial statements and management's discussion & analysis and related certifications for the year ended December 31, 2021. The cease trade order against American Aires Inc. was revoked on March 10, 2023.

Mr. Kim was a director of Tetra Bio-Pharma Inc. (“Tetra”) from May 2021 to August 2023. On March 1, 2023, the Ontario Securities Commission rejected Tetra's application for a management cease trade order. On March 6, 2023, the OSC issued a failure to file cease trade order, which prevented Tetra from using securities to continue to finance Tetra and pay down debt. On July 28, 2023, Tetra filed for bankruptcy.

STATEMENT OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Named Executive Officers

For the purposes of this Circular, a “**Named Executive Officer**” or “**NEO**” of the Corporation means each of the following Individuals:

- (a) our Chief Executive Officer;
- (b) our Chief Financial Officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V – Statement of Executive Compensation – Venture Issuers (“**Form 51-102F6V**”) under the Canadian Securities Administrators’ National Instrument 51-102—Continuous Disclosure Obligations (“**NI 51-102**”), for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the financial year.

During our financial year ended December 31, 2024, we had the following Named Executive Officers:

1. Ghassan Halazon, Chief Executive Officer (“CEO”), President and Director;
2. Kyle Burt-Gerrans, Chief Financial Officer (“CFO”) and Secretary; and
3. Fazal Khaishgi, Chief Operating Officer (“COO”).

Compensation Excluding Compensation Securities

The following table, presented in accordance with Form 51-102F6V, sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to the Named Executive Officers of the Corporation and directors, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation or a subsidiary of the Corporation for the years ended December 31, 2024, and December 31, 2023.

Table of compensation excluding compensation securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ghassan Halazon CEO and Director ⁽¹⁾	2024	200,000	60,750	-	-	-	260,750
	2023	200,000	-	-	-	-	200,000
Kyle Burt-Gerrans ⁽²⁾ CFO and Corporate Secretary	2024	180,000	-	-	-	-	180,000
	2023	-	-	-	-	-	-
Jonathan Leong ⁽³⁾ Former CFO and Corporate Secretary	2024	-	-	-	-	-	-
	2023	225,000	-	-	-	-	225,000

Table of compensation excluding compensation securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Fazal Khaishgi ⁽⁹⁾ Former COO	2024	200,000	-	-	-	-	-
	2023	200,000	-	-	-	-	200,000
Drew Green ⁽⁴⁾ Director	2024	-	-	-	-	-	-
	2023	45,000	-	-	-	-	45,000
John Kim ⁽⁵⁾ Director	2024	-	-	-	-	-	-
	2023	-	-	-	-	-	-
Ian McKinnon ⁽⁶⁾ Director Error! Reference source not found.	2024	-	-	-	-	-	-
	2023	-	-	-	-	-	-
Kia Besharat ⁽⁷⁾ Former Director	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	44,250	-	-	-	-	44,250
Jonson Sun ⁽⁸⁾ Former Director	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	20,000	-	-	-	-	20,000

Notes:

- (1) No remuneration was paid to Mr. Halazon for his services as a Director.
- (2) Mr. Burt-Gerrans resigned as CFO and Corporate Secretary on January 31, 2025.
- (3) Mr. Leong resigned as CFO and Corporate Secretary on January 1, 2024.
- (4) Mr. Green received all of his compensation in the form of RSUs (as defined below) throughout 2024, totaling 1,384,615 RSUs.
- (5) Mr. Kim received all of his compensation in the form of RSUs throughout 2024, totaling 1,115,385 RSUs.
- (6) Mr. McKinnon received all of his compensation in the form of RSUs throughout 2024, totaling 1,115,385 RSUs.
- (7) Mr. Kia Besharat resigned as a director on June 27, 2023.
- (8) Mr. Sun did not stand for re-election at the previous annual and special meeting held on June 28, 2024. He elected to receive compensation by way of RSUs partway through the 2023 financial year.
- (9) Mr. Khaishgi ceased to be the COO of the Company on November 7, 2024.

Stock Options and Other Compensation Securities

The following table (presented in accordance with Form 51-102F6V) sets out all compensation securities granted or issued to each director and NEO by the Corporation, for the most recent fiscal year ended December 31, 2024.

Table of compensation securities								
Name and position	Type of Compensation Security ⁽¹⁾⁽²⁾	Number of Compensation securities, number of underlying securities and % of class ⁽³⁾	Date of Issue or Grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date	Total amount of compensation securities held as at December 31, 2024 ⁽⁴⁾
Ghassan Halazon CEO and Director	RSUs	830,769 15.9%	June 28, 2024	N/A	0.05	0.05	June 28, 2025	363,850 Options 830,769 RSUs
Kyle Burt-Gerrans CFO and Corporate Secretary	RSUs	225,000 ⁽⁵⁾ 4.3%	June 28, 2024	N/A	0.05	0.05	June 28, 2025	225,000 RSUs
Drew Green Director	RSUs	1,384,615 26.5%	June 28, 2024	N/A	0.05	0.05	June 28, 2025	1,384,615 RSUs

Table of compensation securities								
Name and position	Type of Compensation Security ⁽¹⁾⁽²⁾	Number of Compensation securities, number of underlying securities and % of class ⁽³⁾	Date of Issue or Grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date	Total amount of compensation securities held as at December 31, 2024 ⁽⁴⁾
John Kim Director	RSUs	1,115,385 21.3%	June 28, 2024	N/A	0.05	0.05	June 28, 2025	1,115,385 RSUs
Ian McKinnon Director	RSUs	1,115,385 21.3%	June 28, 2024	N/A	0.05	0.05	June 28, 2025	1,115,385 RSUs

Notes:

- (1) Each RSU represents the right to receive one common share of the Corporation.
- (2) The RSUs have a one-year vesting schedule.
- (3) Percentage calculation based on issued and outstanding securities as of December 31, 2024.
- (4) The numbers indicated represent the number of Options (as defined below) and the same number of common shares underlying the related options.
- (5) As of December 31, 2024, Mr. Burt-Gerrans held 225,000 RSUs scheduled to vest on June 28, 2025. These RSUs were forfeited without settlement upon his resignation from the role of Chief Financial Officer on January 31, 2025.

In August 2024, a total of 2,334,390 stock options were voluntarily surrendered by certain directors and officers of the Corporation and cancelled by the Corporation pursuant to the Corporation's Equity Incentive Plan. The cancelled Options had original exercise prices ranging from \$0.11 to \$0.79 per share. Each vested Option entitled the holder to acquire one common share. No replacement Options or other compensation were granted in connection with these cancellations.

Participants in the surrender for cancellation included Ghassan Halazon, CEO (1,363,850 Options at an exercise price of \$0.40); Drew Green, Director (145,540 Options at \$0.40); Kyle Burt-Gerrans, CFO (100,000 Options at \$0.79); and Fazal Khaishgi, former COO (725,000 Options at \$0.11).

There are no additional restrictions or conditions for converting, exercising or exchanging the compensation securities other than what is disclosed in the above table.

RSUs held by the following Named Executive Officers and directors of the Corporation vested and were redeemed for an equivalent number of common shares during the financial year ended December 31, 2024: Kyle Burt-Gerrans (CFO) – 78,461 shares; Fazal Khaishgi (former COO) – 527,307 shares; Ghassan Halazon (CEO) – 735,861 shares; Drew Green (Director) – 1,288,985 shares; Ian McKinnon (Director) – 661,692 shares; and John Kim (Director) – 641,692 shares.

Stock Option Plans and Other Incentive Plans

Equity Incentive Plan

On June 28, 2024, the shareholders of the Corporation approved the adoption of an omnibus fixed equity incentive plan (the "**Equity Incentive Plan**"), as required by the policies of the TSX Venture Exchange (the "**Exchange**"). The Equity Incentive Plan replaced and superseded the Corporation's previous fixed equity incentive plan that was previously approved by the shareholders of the Corporation on June 28, 2022.

The Equity Incentive Plan provides the Corporation with the flexibility to grant equity-based incentive awards in the form of incentive stock options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**"), deferred share units ("**DSUs**"), and stock appreciation rights ("**SARs**").

The Equity Incentive Plan is a fixed plan whereby the aggregate number of common shares of the Corporation that may be issued upon the exercise or settlement of performance-based awards granted shall not exceed up to 20% of

the Corporation's issued common shares as at the date of implementation, which maximum was fixed at 20 million common shares by the Board (as defined below) on May 14, 2024.

Summary of the Equity Incentive Plan

Purpose

The purpose of the Equity Incentive Plan is to, among other things: (i) provide the Corporation with an equity-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Corporation, including its subsidiaries, (ii) reward directors, officers, employees and consultants that have been granted awards under the Equity Incentive Plan for their contributions toward the long-term goals and success of the Corporation, and (iii) enable and encourage such directors, officers, employees and consultants to acquire common shares as long-term investments in the Corporation.

The Equity Incentive Plan allows the Corporation to grant equity-based incentive awards in the form of Options, RSUs, PSUs, DSUs and SARs, as described in greater detail below.

Insider Participation Limit

The Equity Incentive Plan provides that unless disinterested shareholder approval is obtained, the aggregate number of common shares (a) issuable to insiders at any time (under all of the Corporation's security-based compensation arrangements, including the Previous Plans) cannot exceed ten (10%) percent of the Corporation's issued and outstanding common shares, and (b) common shares issued to insiders within any one-year period (under all of the Corporation's security-based compensation arrangements, including under the Previous Plans) cannot exceed ten (10%) percent of the Corporation's issued and outstanding common shares.

The Equity Incentive Plan further provides that for so long as the Corporation's common shares are listed and posted for trading on the Exchange, (a) not more than two (2%) percent of the Corporation's issued and outstanding common shares may be granted to any one consultant in any 12 month period, (b) investor relations service providers may not receive any awards other than options, (c) not more than an aggregate of two (2%) percent the Corporation's issued and outstanding common shares may be granted in aggregate pursuant to options to investor relations service providers in any 12 month period, (d) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Corporation's issued and outstanding common shares may be issued to any one person in any 12 month period and (e) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the exercise price or extend the term of options previously granted to insiders.

Except for so long as the Corporation's common shares are listed and posted for trading on the Exchange, any common shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of common shares available for issuance pursuant to the exercise of awards granted under the Equity Incentive Plan.

Administration of the Equity Incentive Plan

The Plan Administrator (as defined in the Equity Incentive Plan) is determined by the board of directors of the Corporation (the "**Board**"). The administration of the Equity Incentive Plan may in the future be delegated to a committee of the Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Corporation, the number of common shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the common shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the Equity Incentive Plan and may adopt administrative rules, regulations, procedures and guidelines governing the Equity Incentive Plan or any awards granted under the Equity Incentive Plan as it deems appropriate.

Eligibility

All directors, officers, consultants and employees of the Corporation are eligible to participate in the Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Equity Incentive Plan is determined by the Plan Administrator.

Types of Awards

Awards of Options, RSUs, PSUs, DSUs and SARs may be made under the Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or common shares issued pursuant to awards. The vesting requirements applicable to Awards (other than stock options) can be accelerated only in case of a Participant's death or in case a Participant ceases to be an eligible Participant under the Equity Incentive Plan in connection with a change of control, take-over bid or reverse take-over. The Equity Incentive Plan per Exchange Policy 4.4 does not permit acceleration of a mandatory one year vesting provision for Awards (RSUs/DSUs/PSUs/SARs) in case of a Disability of a Participant.

Options

An Option entitles a holder thereof to purchase a prescribed number of treasury common shares at an exercise price set at the time of the grant. The Plan Administrator is required to establish the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the Discounted Market Price (as defined in Exchange Policy 1.1 – Interpretation) for so long as the Corporation's common shares are listed and posted for trading on the Exchange. Subject to any accelerated termination as set forth in the Equity Incentive Plan, each Option expires on its respective expiry date. The Plan Administrator has the authority to determine the vesting terms applicable to grants of Options, subject to the restrictions in the Equity Incentive Plan relating to Options granted to investor relations service providers. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, consulting agreement, award agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the participant. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable. The Plan Administrator may provide at the time of granting an option that the exercise of that Option is subject to restrictions, in addition to those specified in the Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. The exercise price of the Options must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Corporation or by such other means as might be specified by the Plan Administrator, which, to the extent permitted by and otherwise subject to the rules and policies of the Exchange, may include (i) through a net exercise process, (ii) through a cashless exercise process, or (iii) by any combination thereof. Investor relations service providers are not eligible to participate in the net exercise process to exercise stock options.

Restricted Share Units

A RSU is a unit equivalent in value to a common share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one common share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the Equity Incentive Plan is calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs (including the elected amount, as applicable), as determined by the Plan Administrator, by (b) the greater of (i) the Discounted Market Price

of a common share on the date of grant, or and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator has the authority to determine any vesting terms applicable to the grant of RSUs, provided that such terms comply with Section 409A of the United States Internal Revenue Code, to the extent applicable.

Upon settlement, RSU holders are entitled to receive (a) one fully paid and non-assessable common share in respect of each vested RSU, (b) a cash payment, or (c) a combination of common shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Corporation shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per common share on the settlement date. Subject to the provisions of the Equity Incentive Plan, and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no common share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

Performance Share Units

A PSU is a unit equivalent in value to a common share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one common share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, has been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a participant's employment and the amount of any payment or transfer to be made pursuant to any PSU is determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the "**PSU Service Year**").

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will receive (a) one fully paid and non-assessable common share in respect of each vested PSU, (b) a cash payment, or (c) a combination of common shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Corporation to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per common share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no common share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Deferred Share Units

A DSU is a unit equivalent in value to a common share credited by means of a bookkeeping entry in the books of the Corporation, which entitles the holder to receive one common share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each DSU on a future date. The Board may fix from time to time a portion of the total compensation paid by the Corporation to an eligible person in a calendar year for service that are to be payable in the form of DSUs. In addition, subject to the prior approval of the Plan Administrator, certain persons designated by the Plan Administrator are given, subject to the provisions of the Equity Incentive Plan, the right to elect to receive a portion of his or her compensation owing to them in the form of DSUs.

The Plan Administrator has the authority to determine any vesting terms applicable to the grant of DSUs. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation elected to be paid by the issuance of DSUs that are paid in DSUs, by (b) the Market Price of a common share on the date of grant. Upon settlement, holders will receive (a) one fully paid and non-assessable common share in respect of each vested DSU, (b) a cash payment, or (c) a combination of common shares and cash, in each case as determined by the Plan Administrator in its sole discretion. Any cash payments made under the Equity Incentive Plan by the Corporation to a participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per common share as at the settlement date.

Stock Appreciation Rights

A stock appreciation right is a right of a recipient to be paid compensation equivalent to an appreciation in the value of the common shares over a certain period of time. Each SAR entitles the holder to receive, upon the payment of the exercise price in respect thereto, one common share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each SAR on a future date.

The Plan Administrator has the authority to determine any vesting terms applicable to the grant of SARs. Upon payment of the exercise price in respect of each SAR, which shall be the fair market value of the common shares as determined by the Plan Administrator at the time of grant, provided that such fair market value shall not be less than the minimum price permitted by applicable laws and the policies of the Exchange, holders will receive (a) one fully paid and non-assessable common share in respect of each vested SAR, (b) a cash payment, or (c) a combination of common shares and cash, in each case as determined by the Plan Administrator in its sole discretion. Any cash payments made under the Equity Incentive Plan by the Corporation to a participant in respect of SAR to be redeemed for cash shall be calculated by multiplying the number of SAR to be redeemed for cash by the difference between the Market Price and the exercise price in respect of such SAR (assuming that the holder thereof has elected to exercise such SARs by way of a cashless exercise) per common share as at the settlement date.

Dividend Equivalents

Unless otherwise determined by the Plan Administrator, awards of RSUs, PSUs, DSUs and SARs are credited with dividend equivalents in the form of additional RSUs, PSU, DSUs and SARs, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents are computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per common share by the number of RSUs, PSUs, DSUs and SARs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places. For clarity, any dividend equivalents granted shall be included in calculating the limits prescribed by the Equity Incentive Plan. If the Corporation does not have a sufficient number of available common shares under the Equity Incentive Plan to grant such dividend equivalents, the Corporation must make such dividend payment in cash.

Black-out Periods

If an award expires during, or within five business days after, a routine or special trading Blackout Period (as defined in the Equity Incentive Plan), then, notwithstanding any other provision of the Equity Incentive Plan, unless the delayed expiration would result in negative tax consequences to the holder of the award, the award shall expire five business days after the Blackout Period is lifted by the Corporation; and provided that, (i) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information (as defined in the Equity Incentive Plan), and (ii) the automatic extension of an award will not be permitted where the participant or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

Term

While the Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, other than the options, which are subject to a maximum term of 10 years from the date of grant, subject to certain adjustments, as discussed below, shareholder approval is required to permit an Option to be exercisable beyond 10 years from its date of grant, except where an expiry date would have fallen within a Blackout Period of the Corporation. All awards must vest and settle in accordance with the provisions of the Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, consulting agreement, award agreement or

other written agreement and subject to applicable employment standards legislation or regulations applicable to the participant's employment or other engagement with the Corporation or any of its subsidiaries:

Event	Provisions
Termination for Cause	- Any unvested awards held that have not been exercised, settled or surrendered as of the Termination Date (as defined in the New Plan) shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards. - Any vested awards may, subject to the terms of the New Plan be exercised, settled or surrendered to the Corporation by the participant at any time during the period that terminates on the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Registration	
Termination without Cause	
Disability	A portion of any award held by the participant that has not vested as of the date of the Disability (as defined in the New Plan) of such participant shall vest on such date, such portion to be equal to the number of unvested awards held by the participant as of the date of disability multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of the disability and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest, and may, subject to the terms of the New Plan, be exercised, settled or surrendered to the Corporation by the participant at any time until the first anniversary of the date such participant became disabled, provided that with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Corporation can determine if the performance goals have been attained, failing which the Corporation will assume Target Performance (as defined in the New Plan). Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards. The Equity Incentive Plan per Exchange Policy 4.4 does not permit acceleration of a mandatory one year vesting provision for Awards (RSUs/DSUs/PSUs/SARs) in case of a Disability of a Participant.

Event	Provisions
Death	Any award held by the participant that has not vested as of the date of the death of such participant shall vest on such date and may, subject to the terms of the New Plan, be exercised, settled or surrendered to the Corporation by the participant at any time during the period that terminates on the first anniversary of the date of such participant became disabled, provided that with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the date of death of such participant, if the applicable performance period has been completed and the Corporation can determine if the performance goals have been attained, failing which the Corporation will assume Target Performance. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Retirement	- Any award held by the participant that has not vested as of the date of Retirement (as defined in the New Plan) shall continue to vest in accordance with its terms and, if any such awards vest, shall be exercised, settled or surrendered by the Corporation to the participant provided that (a) with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Corporation can determine if the performance goals have been attained, failing which the Corporation will assume Target Performance, and (b) for so long as the Common Shares are listed and posted for trading on the Exchange, any such award shall expire within a reasonable period, not exceeding twelve (12) months from the Termination Date, following which the participant shall not be entitled to any damages or other amounts in respect of such expired awards. - Notwithstanding the foregoing, if, following his or her Retirement, the participant breaches the terms of any restrictive covenant in the participant's written or other applicable employment or other agreement with the Corporation or a subsidiary of the Corporation, any award held by the participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.

The Plan Administrator may, in its discretion, at any time prior to, or following the events listed above, or in an employment agreement, consulting agreement, award agreement or other written agreement between the Corporation or a subsidiary of the Corporation and an individual receiving an award under the Equity Incentive Plan, permit the acceleration or vesting of any or all awards or waive termination of any or all awards, all in the manner and on the terms as may be authorized by the Plan Administrator; provided that, for so long as the common shares are listed and posted for trading on the Exchange, (a) no acceleration of the vesting of options granted to investor relations service providers is permitted without prior Exchange acceptance; and (b) no awards (other than options) may vest before the date that is one year following the date it is granted or issued, other than as may be permitted or not prohibited pursuant to Exchange policies.

Change in Control

Subject to certain rules and restrictions of the Exchange, under the Equity Incentive Plan, except as may be set forth in an employment agreement, consulting agreement, award agreement or other written agreement between the Corporation or a subsidiary of the Corporation and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined in the Equity Incentive Plan), a participant's employment, consultancy or directorship is terminated without Cause (as defined in the Equity Incentive Plan):
 - (i) any unvested awards held by the Participant at the termination date may vest in the sole discretion of the Plan Administrator; and
 - (ii) any vested awards may, subject to the terms of the Equity Incentive Plan, be exercised, settled or surrendered to the Corporation by the participant at any time during the period that terminates on the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the Exchange or any other exchange, the Corporation may terminate all of the awards, other than an option held by a Canadian Taxpayer (as defined in the Equity Incentive Plan) for the purposes of the Tax Act, granted under the Equity Incentive Plan at the time of, and subject to the completion of, the Change in Control transaction by paying to each holder an amount equal to the fair market value of his or her respective award (as determined by the Plan Administrator, acting reasonably) at or within a reasonable period of time following completion of such Change in Control transaction.

Non-Transferability of Awards

Except as permitted by the Plan Administrator, and to the extent that certain rights may pass to a beneficiary or legal representative upon the death of a participant by will or as required by law, no assignment or transfer of awards granted under the Equity Incentive Plan, whether voluntary, involuntary, by operation of law or otherwise, is permitted.

Amendments to the Equity Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting shares, amend, modify, change, suspend or terminate the Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements.

Notwithstanding the above, and subject to the rules of the Exchange, the approval of shareholders is required to effect any of the following amendments to the Equity Incentive Plan:

- (a) increasing the percentage of the Corporation's issued and outstanding common shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the 10% limits on common shares issuable or issued to insiders of the Corporation;

- (c) reducing the exercise price of an award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extending the term of an option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within five business days following the expiry of such a blackout period);
- (e) permitting an option award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (f) increasing or removing the limits on the participation of non-employee directors;
- (g) permitting awards to be transferred to a person;
- (h) changing the eligible participants;
- (i) pertaining to a matter expressly subject to approval of the shareholders pursuant to the applicable rules of the Exchange; and
- (j) deleting or otherwise limiting the amendments which require approval of the shareholders,

and in the case of subsections (a), (b), (c) and (f), such approval must be obtained from disinterested shareholders of the Corporation. Except for the items listed above, amendments to the Equity Incentive Plan do not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award provided that such amendment does not have the effect of altering the scope, nature and intent of the amended provisions, (b) adding covenants of the Corporation for the protection of the participants provided that such addition does not have the effect of altering the scope, nature and intent of the amended provisions, (c) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides provided that such amendments do not have the effect of altering the scope, nature and intent of the amended provisions, and (d) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error provided that such correction does not have the effect of altering the scope, nature and intent of the amended provisions.

In the event of any conflict between the provisions of the Equity Incentive Plan and an award agreement or employment agreement, the provision of the Equity Incentive Plan will prevail.

Employment, Consulting and Management Agreements

Mr. Halazon has an employment agreement with the Corporation as CEO. Mr. Halazon is entitled to an annual base salary of \$200,000 in addition to an annual performance-bonus that is set by the Board. In the event of termination without cause by the Corporation, the employee shall receive an amount equal to: (i) six months base salary; and (ii) all outstanding and accrued base salary, bonuses and vacation pay. The agreement does not contain any provisions with respect to change of control.

Mr. Burt-Gerrans has an employment agreement with the Corporation as Chief Financial Officer. Mr. Burt-Gerrans is entitled to an annual base salary of \$180,000. In the event of termination without cause by the Corporation, the employee shall receive notice, or pay in lieu thereof, or some combination thereof, in Corporation's sole discretion, an amount equal to the greater of: (i) three months' base salary, with an additional one month of base salary for each completed year of service, up to a maximum of six months; and (ii) the minimum amounts required by the *Employment Standards Act* (Ontario). The agreement does not contain any provisions with respect to change of control. As of January 31, 2025, Kyle Burt-Gerrans resigned from his role as Chief Financial Officer.

Mr. Khaishgi had an employment agreement with the Corporation as Chief Operations Officer. Mr. Khaishgi is entitled to an annual base salary of \$200,000. In the event of termination without cause by the Corporation, the employee shall receive notice, or salary continuance in lieu thereof, or some combination thereof, in the Corporation's sole discretion, the greater of: (i) an amount equal to twelve months' base salary; and (ii) the minimum amounts required by the *Employment Standards Act* (Ontario). The agreement does not contain any provisions with respect to change of control. Mr. Khaishgi ceased to be the COO of the Corporation on November 7, 2024.

Pension Disclosure

There are no pension plan benefits in place for the NEOs or directors of the Corporation.

OTHER INFORMATION

Securities Authorized for Issuance under Equity Compensation Plans

The following table, presented in accordance with Form 51-102F5 – Information Circular ("**Form 51-102F5**") under NI 51-102, sets out all compensation plans under which equity securities of the Corporation are authorized for issuance as of the end of the most recently completed financial year.

Equity Compensation Plan Information			
Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	20,000,000	\$0.52	6,684,112
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	20,000,000	\$0.52	6,684,112

Pursuant to the Equity Incentive Plan, awards that were settled in cash, cancelled, terminated, surrendered, forfeited, or expired without being exercised or settled, and in respect of which no securities were issued, remain available for future issuance under the Plan. During the year, 366,163 restricted share units ("RSUs") held by the former Chief Financial Officer and other employees, and 5,428,140 stock options held by certain Named Executive Officers, directors, and employees were forfeited, expired, or surrendered for cancellation. As a result, these awards continue to be issuable under the Equity Incentive Plan.

Indebtedness of Directors and Executive Officers

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any such director, executive officer or proposed nominee is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to (i) the Corporation or any of its subsidiaries or (ii) to any other entity where such indebtedness is, or at any time since the beginning of the most recently completed financial year has been, guaranteed or supported by the Corporation or any of its subsidiaries.

Interest of Management and Others in Material Transactions

Management of the Corporation is not aware of a material interest, direct or indirect, of any director or officer of the Corporation, any proposed nominee for election as a director of the Corporation, any principal shareholder, or any associate or affiliate of any such person, in any transaction since the beginning of the Corporation's most recently completed financial year ended December 31, 2024 or in any proposed transaction, that has materially affected or could materially affect the Corporation, other than as disclosed in the Corporation's audited annual financial statements and management discussion & analysis for the year ended December 31, 2024, both available on SEDAR+ at www.sedarplus.ca.

APPOINTMENT OF AUDITOR

The auditors of the Corporation are MNP LLP, who have been the auditors of the Corporation since 2020.

For the fiscal year ended December 31, 2024, MNP LLP received fees as detailed below:

	2024	2023
Audit Fees ⁽¹⁾	\$220,000	\$ 293,500
Audit-Related Fees ⁽²⁾	\$Nil	\$Nil
Tax Fees ⁽³⁾	\$69,000	\$ 57,500
All Other Fees ⁽⁴⁾	\$Nil	\$Nil
Total Fees	\$289,000	\$ 351,000

Notes:

- (1) "Audit Fees" represent fees for the audit of the annual consolidated financial statements, and review in connection with the statutory and regulatory filings.
- (2) "Audit Related Fees" represent fees for assurance and related services that are related to the performance of the audit.
- (3) "Tax Fees" represent fees for tax compliance, tax advice and planning.
- (4) "All Other Fees" represent fees for products and services provided by the Corporation's external auditor other than the services reported under the other categories.

Unless a shareholder has specified in their Proxy that the shares represented by that Proxy are to be withheld from voting in the appointment of auditors, the persons named in the Proxy intend to vote **"FOR"** the appointment of MNP LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors. To be effective, the resolution respecting the appointment of auditors must be approved by at least a majority of the votes cast at the Meeting.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Board of Directors

Composition of the Board

The proposed Board will be composed of four directors. The Board has concluded that three directors (John Kim, Drew Green and Ian McKinnon) are "independent" (as defined in section 1.4 of the Canadian Securities Administrators' National Instrument 52-110—Audit Committees ("**NI 52-110**") directors. The Board considers Ghassan Halazon to not be independent under NI 52-110. By virtue of being an executive officer or former executive officer of the Corporation or its subsidiaries, Ghassan Halazon is not considered independent under NI 52-110.

Other Directorships

Certain directors or proposed directors of the Corporation are also presently directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere. Information as to those other directorships is set out below.

Director	Reporting Issuer
Drew Green	Pineapple Financial American Aires Inc. Parvis Invest Inc. (formerly Gravitas II Capital Corp.) Monahagn Capital Fund
John Kim	Well Health Technologies Corp. CEMATRIX Corporation

Chair of the Board

Drew Green is the chair of the Board and is an independent director.

Audit Committee

The Audit Committee is composed of the following three directors: John Kim (Chair), Ian McKinnon and Drew Green. All members are considered “financially literate” (as defined in NI 52-110) and are independent under NI 52-110. The Board has adopted a charter for the Audit Committee (the “**Audit Committee Charter**”) which sets out the mandate and purpose of the Audit Committee, as well as its duties and responsibilities.

The Audit Committee Charter is attached as Appendix A to this Circular.

Audit Committee Oversight

At no time since January 1, 2024 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since January 1, 2024 has the Corporation relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110 by a securities regulatory authority or regulator.

Orientation and Continuing Education

The Board has not adopted a formal policy on the orientation and continuing education of new and current directors. When a new director is appointed, the Board delegates individual directors the responsibility for providing an orientation and education program for any new director. This may be delivered through informal meetings between the new director and the Board and senior management, complemented by presentations on the main areas of the Corporation’s business. When required, the Board may arrange for topical seminars to be provided to members of the Board or committees of the Board. Such seminars may be provided by one or more members of the Board and management or by external professionals.

Ethical Business Conduct

The directors are required to abide by all relevant regulatory rules and regulations. The Board monitors compliance by requiring directors and officers to declare any conflicts of interest or any other situation that could represent a potential violation of any applicable rules and regulations. When applicable, the Board will receive reports from management regarding any allegations of unethical conduct.

Nomination of Directors

The Board has not adopted any formal policy for the nomination of new directors. The Board relies on each director to identify new candidates for Board nomination based on the needs of the Board.

Compensation

Principles of Executive Compensation

The following principles form the basis of the Corporation’s executive compensation program:

- (a) align interest of executives and shareholders;
- (b) attract and motivate executives who are instrumental to the success of the Corporation and the enhancement of shareholder values;
- (c) pay for performance; and

- (d) ensure compensation methods have the effect of retaining those executives whose performance has enhanced Corporation's long term value.

The Board is responsible for the Corporation's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Corporation and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Equity Incentive Plan. The members of the Board review and approve the hiring of executive officers.

The Compensation Committee, a committee of the Board, is responsible for establishing management compensation. The Board, and the Compensation Committee thereof, do not have a pre-determined, performance- based compensation plan, but rather review the performance of management on an annual basis, or more frequently if deemed necessary by the Compensation Committee. The Compensation Committee was formed in March 2022 and is currently comprised of the following directors: Ian McKinnon (Chair), John Kim and Drew Green, each of whom is considered independent under NI 52-110.

The Board relies on discussions with internal and external parties, as well as an informal review of other companies of similar industry and/or size.

Base Salary

The Board approves the salary ranges for the Named Executive Officers, which have been determined based on an informal assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Compensation is determined from time to time at the discretion of the Board. The Corporation's policy for determining salary for executive officers is consistent with the administration of salaries for all other employees.

Annual Incentives

The Corporation does not have any formalized annual incentives by way of cash bonuses. However, the Corporation, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals.

Long Term Compensation

The Corporation currently has no long-term incentive plans, other than the grant of stock options and restricted share units (RSUs) issued from time to time by the Board under the provisions of the Equity Incentive Plan.

Board Assessment

The Board has not adopted any formal policies to evaluate the effectiveness of the Board, the Audit Committee, the Compensation Committee and the individual directors. The Board may appoint a special committee of directors to evaluate the Board, its committees and assess the contribution of its individual directors and to recommend any modifications to the functioning and governance of the Board and its committees. To date, the Board has not appointed any such special committee of directors to perform such analysis.

Director Term Limits and Other Mechanisms of Board Renewal

Each director of the Corporation is elected yearly, to hold office until the next annual meeting of the shareholders or until their successor is duly elected or appointed, unless their office is vacated prior to such time, in accordance with the articles of the Corporation. The whole board shall be elected at each annual meeting and all the directors then in office shall retire, but, if qualified, are eligible for re-election.

Policies Regarding Representation on the Board

The Board has not adopted a formal written policy regarding the identification, nomination and selection of directors who are women, Indigenous peoples, persons with disabilities or members of visible minorities ("**Designated Groups**"). The Corporation recognizes the benefits of diversity within its Board, at the executive level and all levels of the organization, but does not believe that a formal written policy would enhance the representation of Designated Groups on the board beyond the current recruitment and selection process.

Consideration of Representation in Senior Management Appointments

The Corporation evaluates the necessary competencies, skills, experience and other qualifications of each candidate, as a whole, and considers the representation of Designated Groups as one of many factors in the recruitment and selection of candidates for Board and executive officer positions.

Targets Regarding Representation on the Board and in Executive Officer Positions

The Board has not adopted formal targets regarding members of Designated Groups being represented on the Board or holding executive officer positions. The representation of Designated Groups is one of many factors considered in the overall recruitment and selection process in respect of Board and senior management positions at the Corporation. The Board does not believe that formal targets would enhance the representation of Designated Groups on the board or in executive officer positions beyond the current recruitment and selection process.

Diversity on the Board and in Executive Officer Positions

Currently, two of the Corporation's four directors (50 percent) are considered members of Designated Groups. Two of the four proposed directors (50 percent) are considered members of Designated Groups.

One of the Corporation's executive officers (50 percent) is considered member of Designated Groups.

MANAGEMENT CONTRACTS

No management functions of the Corporation or its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation or its subsidiaries.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Financial Statements

The audited financial statements of the Corporation for year ended December 31, 2024, and the auditor's report thereon will be received at the Meeting. The audited financial statements of the Corporation and the auditor's report are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Election of Directors

At the Meeting, shareholders will be asked to pass an ordinary resolution to vote on the election of directors. It is the intention of the persons named in the Proxy, if not expressly directed for the contrary in such Proxy, to vote such Proxies "**FOR**" the election of each of the nominees specified below as directors of the Corporation. If, prior to the Meeting, any vacancies occur in the list of proposed nominees herein submitted, the persons named in the Proxy intend to vote "**FOR**" the election of any substitute nominee or nominees recommended by management of the Corporation and "**FOR**" the remaining proposed nominees. Management of the Corporation has been informed that each of the proposed nominees listed below is willing to serve as a director if elected. Each director, if elected, will hold office until the next annual meeting of shareholders or until their successor is duly elected or appointed, unless their office is vacated prior to such time, in accordance with the articles of the Corporation.

Name, Province or State and Country of Residence and Present Office Held	Director Since
Drew Green ⁽¹⁾⁽²⁾ British Columbia, Canada <i>Chairman and Director</i>	December 7, 2020
Ghassan Halazon Ontario, Canada <i>CEO, President and Director</i>	December 7, 2020
John Kim ⁽¹⁾⁽²⁾ Ontario, Canada <i>Director</i>	December 7, 2020
Ian McKinnon ⁽¹⁾⁽²⁾ Ontario, Canada <i>Director</i>	June 28, 2022

Notes:

- (1) Member of the Audit Committee.
(2) Member of the Compensation Committee.

Background of Proposed Directors

The following is a brief description of each of the Board Members of the Corporation (including details with regard to their principal occupation for the last five years):

Drew Green

Drew Green is President and CEO of INDOCHINO. Between 2015-2023, he established over \$100M in strategic capital commitments for INDOCHINO and has secured partnerships with hundreds of celebrities and professional athletes, along with MLB, NHL, NBA and NFL teams. In 2019, Canadian Business announced that between 2015-2019, INDOCHINO was #1 fastest growing Canadian retailer, with sales globally.

Green has been recognized for his accomplishments throughout his career. In 2017, Green was awarded the Lifetime Innovation in Retail award. In 2018 he was awarded Retailer of the Year by Chain Store Age, and in 2018 Green was selected as The Entrepreneur of the Year, by Ernst and Young.

Prior to INDOCHINO, Green founded and was Chief Executive Officer of Canada's first multi-merchant marketplace. Throughout his career, Drew has held leadership roles at Flo Network (DoubleClick). DoubleClick (acquired by Google), and SHOP.COM, (acquired by Market America) amongst others.

Over the past 25 years, Green has started or invested in over 100 companies, venture funds and real-estate assets across Canada.

Drew is currently a board member at York University, his alma mater, and awards yearly scholarships for York and UBC students. Drew is also a King Charles Coronation Medal recipient.

Ghassan Halazon

Mr. Halazon is a serial e-commerce entrepreneur with over 15 years of scaling some of the country's most coveted digital brands. Mr. Halazon was recognized as one of Canada's Top 40 under 40 honourees for 2020, presented by BNN Bloomberg and National Post.

Mr. Halazon is the Founder, CEO and President, as well as a Director, of EMERGE, a premium e-commerce brand portfolio with operations in Canada and the U.S. EMERGE was previously recognized on the Startup 50, and Canada's Top Growing Companies by the Globe and Mail.

Mr. Halazon's entrepreneurial e-commerce journey started at the age of 25. Formerly, Mr. Halazon was an investment banker with Citi (New York) during which his team advised on various capital raising and M&A transactions.

John Kim

Mr. Kim is currently an advisor, investor and board member to various public and private companies and startups, especially in healthcare and technology. He has extensive experience and knowledge in capital markets, financial services, audit, and corporate governance. Previously, for over 20 plus years, John enjoyed a successful career in the investment industry as a portfolio manager. John is a CFA Charter holder and obtained his B.Sc. in Applied Mathematics from University of Toronto.

Ian McKinnon

Mr. McKinnon is currently chair of the board of directors for MessagePoint, a privately owned corporation. Mr. McKinnon was a past director for a number of companies, including Constellation Software Inc., Sylogist Ltd., SMART Technologies Inc., Quarterhill Inc., Allstream Inc., Adeptron Technologies Corp., Promis Systems Corporation and Certicom Corp. He was also a past director of the not-for-profit Singapore American School located in Singapore.

Mr. McKinnon was President and Chief Executive Officer of TSX/Nasdaq-listed Certicom Corp. from 2002 to 2007, and TSX-listed Promis Systems Corporation from 1995 to 2000. Between 1981 and 1995, he was with Digital Equipment Corporation in various sales and senior management positions in Canada and as Managing Director of Digital Equipment Corporation in Singapore.

Appointment of the Auditor

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing MNP LLP as auditors of the Corporation, to hold office until the close of the next annual meeting of shareholders, at such remuneration as may be fixed by the Board in accordance with the recommendation of the Audit Committee. In the absence of instructions to the contrary, the persons designated by management of the Corporation in the Proxy intend to vote FOR the approval of such resolution.

In the absence of instructions to the contrary, the persons designated by management of the Corporation in the Proxy intend to vote **"FOR"** the approval of such resolution.

OTHER MATTERS

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

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Corporation's audited annual financial statements and management's discussion and analysis as at and for the year ended December 31, 2024.

In addition, copies of the Corporation's audited annual financial statements and management's discussion and analysis as at and for the year ended December 31, 2024 may be obtained upon request to the Chief Financial Officer of the Corporation. 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.

DIRECTORS' APPROVAL

The directors of the Corporation have approved the contents and the sending of this Circular.

By Order of the Board of Directors

"Ghassan Halazon"

Ghassan Halazon

Director, President and CEO

EMERGE Commerce Ltd.

May 13, 2025

APPENDIX A

AUDIT COMMITTEE CHARTER

I. PURPOSE

The Audit Committee (the “**Audit Committee**”) is a committee of directors appointed by the Board of Directors of the Company (the “**Board**”). The Audit Committee’s mandate is to provide assistance to the Board in fulfilling its financial reporting and control responsibility to the shareholders and the investment community. The Committee is, however, independent of the Board and the Company and in carrying out their role shall have the ability to determine its own agenda and any additional activities that the Audit Committee shall carry out.

II. COMPOSITION

The Committee will be comprised of at least three directors of the Company, all of whom, subject to any exemptions set out in National Instrument 52-110 Audit Committees (“**NI-52-110**”) will be independent and financially literate. In addition, at least one member of the Audit Committee shall have accounting or related financial expertise as such qualifications are interpreted by the Board. An “independent” director is a director who has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of NI-52-110, as set out in Schedule A hereto. A “financially literate” director is a director who has the ability to read and understand a set of financial instruments that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Company.

III. RESPONSIBILITIES

Responsibilities of the Audit Committee generally include, but are not limited to, the undertaking of the following tasks:

- Selecting and determining the compensation of the external auditors, subject to approval of the shareholders of the Company, to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company. In making such determination and recommendation to the shareholders, the Audit Committee will:
 - confirm the independence of the auditors and report to the Board its conclusions on the independence of the auditors and the basis for these conclusions;
 - meet with the auditors and financial management to review the scope of the proposed audit for the current year, and the audit procedures to be used; and
 - obtain from the external auditors confirmation that they are participants in good standing in the Canadian Public Accountability Board oversight program and, if applicable, in compliance with the provisions of the Sarbanes-Oxley Act of 2002 (U.S.) and other legal or regulatory requirements with respect to the audit of the financial statements of the Company.
- Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. In overseeing such work, the Audit Committee will:
 - review with the external auditors any audit problems or difficulties and management’s response;

- at least annually obtain and review a report prepared by the external auditors describing (i) the auditors' internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, and reviewing any steps taken to deal with such issues;
- serve as an independent and objective party to monitor the Company's financial reporting process and internal control system and overseeing management's reporting on internal control;
- provide open lines of communication among the external auditors, financial and senior management, and the Board for financial reporting and control matters;
- make inquiries of management and the external auditors to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risks to the Company;
- establish procedures to ensure that the Audit Committee meets with the external auditors on a regular basis in the absence of management;
- ensure that the external auditors prepare and deliver annually a detailed report covering (i) critical accounting policies and practices to be used; (ii) material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; (iii) other material written communications between the external auditors and management such as any management letter or schedule of unadjusted differences; and (iv) such other aspects as may be required by the Audit Committee or legal or regulatory requirements;
- consider any reports or communications (and management's responses thereto) submitted to the Audit Committee by the external auditors, including reports and communications related to:
 - deficiencies noted following the audit of the design and operation of internal controls;
 - consideration of fraud in the audit of the financial statement;
 - detection of illegal acts;
 - the external auditors responsibility under generally accepted auditing standards;
 - significant accounting policies;
 - management judgements and accounting estimates;
 - adjustments arising from the audit;
 - the responsibility of the external auditors for other information in documents containing audited financial statements;
 - disagreements with management;
 - consultation by management with other accountants;
 - major issues discussed with management prior to retention of the external auditors;
 - difficulties encountered with management in performing the audit;

- the external auditors judgements about the quality of the entity's accounting principles; and
 - any reviews of unaudited interim financial information conducted by the external auditors;
- review the form of opinion the external auditors propose to render to the Audit Committee, the Board and shareholders; and
- discuss significant changes to the Company's auditing and accounting principles, policies, controls, procedures and practices proposed or contemplated by the external auditors or management, and the financial impact thereof.
- Pre-approving all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor, subject to any exemptions set out in NI-52-110. Notwithstanding the pre-approval process, the Audit Committee will ensure that the external auditors are prohibited from providing the following non-audit services and will determine which other non-audit services the external auditors are prohibited from providing:
 - bookkeeping or other services related to the accounting records or financial statements of the Company;
 - financial information systems design and implementation;
 - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - actuarial services;
 - internal audit outsourcing services;
 - management functions or human resources;
 - broker, dealer, investment adviser or investment banking services;
 - legal services and expert services unrelated to the audit; and
 - any other service that the Audit Committee determines to be impermissible.
- Ensuring that the external auditors submit annually to the Company and the Audit Committee a formal written statement of the fees billed for each of the following categories of services rendered by the external auditors: (i) the audit of the Company's annual financial statements for the most recent fiscal year and, if applicable, the reviews of the financial statements included in the Company's Quarterly Reports for that fiscal year; and (ii) all other services rendered by the external auditors for the most recent fiscal year, in the aggregate and by each service.
- Reviewing the Company's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases before the Company publicly discloses the information. In connection with such review, the Audit Committee will ensure that:
 - management has reviewed the financial statements with the Audit Committee, including significant judgments affecting the financial statements;
 - the members of the Audit Committee have discussed among themselves, without management or the external auditors present, the information disclosed to the Audit Committee; and

- the Audit Committee has received the assurance of both financial management and the external auditors that the Company's financial statements are fairly presented in conformity with International Financial Reporting Standards in all material respects.
- Ensuring that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to above, and periodically assessing the adequacy of those procedures.
- Reviewing, evaluating and monitoring any risk management program implemented by the Company, including any revenue protection program. This function should include:
 - risk assessment;
 - quantification of exposure;
 - risk mitigation measures; and
 - risk reporting.
- Reviewing the adequacy of the resources of the finance and accounting group, along with its development and succession plans.
- Establishing procedures for:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
- Annually reviewing and revising this Charter as necessary with the approval of the Board and the text relating to this Charter which is required to appear in the Annual Information Form or management proxy circular of the Company, as more specifically set out in Form 52-110F1 Audit Committee Information Required in an AIF and Form 52-110F2 Disclosure by Venture Issuers as applicable.
- Reviewing and assessing the adequacy of the Code of Business Conduct and Ethics governing the officers, directors and employees of the Company and the Code of Ethics governing Financial Reporting Officers at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board.
- Reporting its activities to the Board on a regular basis and making such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate.
- Reviewing and discussing with management, and approving all related party transactions.

IV. AUTHORITY

The Audit Committee has the authority to:

- Engage independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties;

- Set and pay the compensation for any advisors employed by the Audit Committee, in accordance with applicable corporate statutes; and
- Communicate directly with the external auditors.

V. ADMINISTRATIVE PROCEDURES

- The Audit Committee will meet regularly and whenever necessary to perform the duties described above in a timely manner, but not less than four times a year. Meetings may be held at any time deemed appropriate by the Audit Committee and by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.
- A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.
- Meetings of the shall be held from time to time as the Committee or the Chairman shall determine upon 48 hours' notice to each of its members. The notice period may be waived by a quorum of the Committee.
- At the discretion of the Audit Committee, meetings may be held with representatives of the external auditors and appropriate members of management.
- The external auditors will have direct access to the Audit Committee at their own initiative.
- The Chairman of the Audit Committee will report periodically to the Board.

SCHEDULE A TO AUDIT COMMITTEE CHARTER NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES ("NI-52- 110") MEANING OF INDEPENDENCE (SECTION 1.4 OF NI 52-110):

- 1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- 2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
- 3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - a. an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - b. an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - c. an individual who:
 - i. is a partner of a firm that is the issuer's internal or external auditor,
 - ii. is an employee of that firm, or was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - d. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - i. is a partner of a firm that is the issuer's internal or external auditor,
 - ii. is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - iii. was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - e. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - f. an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- 4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
 - a. he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - b. he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

- 5) For the purposes of clauses (3)c) and (3)d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- 6) For the purposes of clause (3)f), direct compensation does not include:
 - a. remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - b. the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- 7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
 - a. has previously acted as an interim chief executive officer of the issuer, or
 - b. acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- 8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Additional Independence Requirements for Audit Committee Members (section 1.5 of NI- 52-110):

- 1) Despite any determination made under section 1.4 of NI- 52-110, an individual who
 - a. accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - b. is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
- 2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
 - a. an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - b. an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- 3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

