



**SOLAR ALLIANCE ENERGY INC.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

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

**TO BE HELD ON**

**THURSDAY, FEBRUARY 10, 2022, AT 12:00 PM (TORONTO TIME)**

**AT**

**82 RICHMOND STREET EAST,**

**TORONTO, ONTARIO M5C 1P1**

**DATED: DECEMBER 31, 2021**



620 -1111 Melville St  
Vancouver, BC  
V6E 3V6

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## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of shareholders (“**Shareholders**”) of Solar Alliance Energy Inc. (the “**Company**” or “**Solar Alliance**”) will be held at 82 Richmond Street East, Toronto, Ontario, M5C 1P1 on the 10<sup>th</sup> day of February 2022 at 12:00 p.m. (EST) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2020, together with the report of the auditors thereon;
2. to elect directors to hold office until the next annual general meeting of the Company;
3. to appoint Smythe LLP, Chartered Professional Accountants as auditor and to authorize the directors to fix the auditor’s remuneration;
4. to consider and, if thought fit, to pass an ordinary resolution providing for the approval of the Company’s Stock Option Plan. Information may be found in the “Approval of Stock Option Plan” section of the Information Circular, subject to regulatory approval; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The accompanying Management Information Circular provides additional information relating to the matters to be addressed at the Meeting and is deemed to form part of this Notice.

**In an effort to mitigate the risks associated with COVID-19, and to preserve the health and safety of our communities, Shareholders, employees, and other stakeholders, we are inviting Shareholders to participate in the Meeting by dialing in to our conference line at: 1-866-365-4406 (North America – Toll Free), followed by the Conference ID8487744#. Participants should dial in at least 10 minutes prior to the scheduled start time and ask to join the call. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location. We encourage Shareholders not to attend the Meeting in person due to risks related to COVID-19. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered Shareholders and proxyholders entitled to attend and vote at the Meeting. Shareholders cannot vote their common shares at the Meeting if attending via teleconference and must vote prior to the Meeting via proxy.**

Shareholders who are unable to, or choose not to, attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the enclosed form of proxy must be deposited with Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, (by mail or hand delivery); voted by telephone at 1-866-732-VOTE (8683); or voted online at [www.investorvote.com](http://www.investorvote.com). In order to be valid and acted upon at the Meeting, the duly-completed form of proxy must be received prior to 12:00 p.m. (Toronto time) on February 8, 2022, or in the case of any adjournment or postponement of the Meeting, not later than 48 hours (excluding Saturdays, Sundays and Statutory Holidays in Toronto, Ontario) prior to the time set for the adjourned or postponed Meeting, or be deposited with the Secretary of the Company before the commencement of the Meeting or of any adjournment thereof. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

Due to health concerns related to COVID-19 and to allow the Company to comply with the requirements and recommendations of health authorities in effect at the time of the Meeting, the Company encourages all Shareholders to cast their votes by submitting proxies as described above.

The Company has elected to use the notice-and-access process (“**Notice-and-Access**”) that came in effect on February 11, 2013, under NI 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of this Information Circular and other meeting materials to registered Shareholders of the Company and Non-Registered Shareholders (as defined herein).

Notice-and-Access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to Shareholders. The Company anticipates that utilizing the Notice-and-Access process will substantially reduce both postage and printing costs.

Meeting materials including the Information Circular and the Company’s audited financial statements for the year ended December 31, 2020, and the Company’s management discussion and analysis for the year ended December 31, 2020, are available on the Company’s website at <https://www.solaralliance.com/investors/> and on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

Although the Information Circular and related materials (collectively, the “**Meeting Materials**”) will be available electronically online, as noted above, the registered Shareholders and non-registered Shareholders (subject to the provisions set out in the accompanying Management Information Circular under the heading “**NON-REGISTERED SHAREHOLDERS**”) will receive a “notice package” (the “**Notice-and-Access Notification**”) by prepaid mail, which includes the information prescribed by NI 54-101 and a proxy form or voting instruction form from their respective intermediaries. Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Shareholders are reminded to review the Information Circular before voting.

Management of the Company does not intend to pay for intermediaries to forward the Notice-and-Access Notification to OBOs (as defined herein) under NI 54-101.

Shareholders will not receive a paper copy of the Meeting Materials unless they request paper copies from the Company. To receive a paper copy in time to vote before the Meeting, requests for paper copies should be received by the Company’s registrar and transfer agent, Computershare Investor Services Inc., by January 29, 2022. Shareholders who have questions about Notice-and-Access may contact the Company, toll free at 1-888-DSA-CORP (372-2677) or [info@solaralliance.com](mailto:info@solaralliance.com).

If you are a beneficial or non-registered holder of common shares in the capital stock of the Company and have received these materials through your broker, custodian, nominee, or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee, or other intermediary in accordance with the instructions provided therein. A beneficial or non-registered Shareholder will not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the common shares in that capacity.

Please advise the Company’s registrar and transfer agent, Computershare Investor Services Inc., 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, of any change in your mailing address.

DATED as of the 31<sup>st</sup> day of December 2021.

BY ORDER OF THE BOARD  
**SOLAR ALLIANCE ENERGY INC.**

(signed) "Michael Clark"

**Chairperson**



**SOLAR ALLIANCE ENERGY INC.**

**MANAGEMENT INFORMATION CIRCULAR  
AS AT DECEMBER 31, 2021**

**PERSONS MAKING THE SOLICITATION**

This management information circular (the “**Information Circular**”) has been furnished by the management of Solar Alliance Energy Inc. (the “**Company**”) for use by everyone who was a shareholder of record of the Company on December 31, 2021, which is the date that has been fixed by the directors (the “**Board**”) of the Company as the record date to determine the shareholders who are entitled to receive notice of the meeting.

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of our management for use at the annual general and special meeting of the shareholders of the Company that is to be held on **February 10, 2022, at 12:00 p.m.** (EST) at 82 Richmond Street East, Toronto, Ontario M5C 1P1 (the “**Meeting**”). The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

Under our Articles, one shareholder must be present in person or represented by proxy holding or representing not less than one share of the issued shares entitled to vote at the Meeting before any action may validly be taken at the Meeting. If such a quorum is not present in person or by proxy, we will reschedule the Meeting.

References to dollars (\$) in this Information Circular shall mean Canadian dollars unless otherwise indicated.

**PART 1 – VOTING**

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**HOW A VOTE IS PASSED**

**All the matters that will come to a vote at the Meeting as described in the attached Notice of Meeting are ordinary resolutions and can be passed by a simple majority – that is, if more than half of the votes that are cast are in favour, the resolution is approved.**

**WHO CAN VOTE?**

**If you are a registered shareholder of the Company as at December 31, 2021, you are entitled to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer’s authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see “Voting by Proxy”). If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer, or other financial institution) you should refer to the section entitled “Non-registered Shareholders” set out below.**

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

**VOTING BY PROXY**

**If you do not come to the Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder.** You can either tell that person how you want to vote, or you can let him or her decide for you. You can do this by completing a form of proxy.

To be valid, you must return the completed form of proxy 48 hours, excluding Saturdays, Sundays, and holidays, prior to the time of the Meeting or adjournment thereof to our transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, Canada M5J 2Y1, facsimile: within North America +1-866-249-7775 and outside North America +1-416-263-9524.

### ***What is a proxy?***

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

### ***Appointing a proxyholder***

**You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder. Those persons are directors and/or officers of the Company.**

### ***Instructing your proxy***

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares at the Meeting as follows:

- ✓ **FOR the election of the proposed nominees as directors;**
- ✓ **FOR the appointment of Smythe LLP, Chartered Professional Accountants, as the auditor of the Company and to authorize the directors to fix the remuneration to be paid to the auditor; and**
- ✓ **FOR the resolution to approve the renewal of the Company's stock option plan.**

For more information about these matters, see "*Part 3 - The Business of the Meeting.*" The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified on the Notice of Meeting. At the time of printing this Information Circular, the management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

### ***Changing your mind***

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by: (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Registered Office of the Company at 620 -1111 Melville St, Vancouver, BC V6E 3V6; or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 12:00 p.m. (EST) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person.

## **NOTICE AND ACCESS**

The Company has elected to use the notice-and-access process ("**Notice-and-Access**") that came in effect on February 11, 2013 under NI 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of this Information Circular and other meeting materials to registered Shareholders of the Company and Non-Registered Shareholders (as defined herein).

Notice-and-Access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to Shareholders. The Company anticipates that utilizing the Notice-and-Access process will substantially reduce both postage and printing costs.

Meeting materials including the Information Circular and the Company's audited financial statements for the year ended December 31, 2020, and the Company's management discussion and analysis for the year ended December 31, 2020, are available on the Company's website at <https://www.solaralliance.com/investors/> and on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Although the Information Circular and related materials (collectively, the 'Meeting Materials') will be posted electronically online, as noted above, the registered Shareholders and non-registered Shareholders (subject to the provisions set out below under the heading "**NON-REGISTERED SHAREHOLDERS**") will receive a "notice package" (the "**Notice-and-Access Notification**") by prepaid mail, which includes the information prescribed by NI 54-101 and a proxy form or voting instruction form from their respective intermediaries. Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Shareholders are reminded to review the Information Circular before voting.

Management of the Company intends to pay for intermediaries to forward the Notice-and-Access Notification to OBOs (as defined herein) under NI 54-101.

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## **NON-REGISTERED SHAREHOLDERS**

**Only registered Shareholders or proxyholders duly appointed by registered Shareholders are permitted to vote at the Meeting. Most Shareholders of the Company are "non-registered" shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as "Beneficial Shareholders") should note that only registered Shareholders are entitled to vote 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 such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, most of such Common Shares are registered under the name CDS & Co. (the registration name for CDS Clearing and Depositary Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the brokers' clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. Most brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders, and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of internet or telephone, for example). 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 who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common**

**Shares must be communicated to Broadridge well in advance of the Meeting) to have the Common Shares voted.**

The Notice-and-Access Notification is being sent to both registered Shareholders and indirectly to Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”).

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the proxy or voting instruction card provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

## **PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

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The authorized voting share capital of the Company consists of an unlimited number of common shares. The Company has authorized capital of an unlimited number of preferred shares of which none have been issued. Each holder of common shares is entitled to one vote for each common share registered in his or her name at the close of business on December 31, 2021, the date fixed by our directors as the record date for determining who is entitled to receive notice of and to vote at the Meeting.

At the close of business on December 31, 2021, there were 274,984,848 common shares outstanding (the “**Outstanding Shares**”). To the knowledge of our directors and officers, except as noted below, there were no persons or companies who beneficially own, directly or indirectly or exercise control or direction over shares carrying more than 10% of the voting rights attached to all Outstanding Shares of the Company.

<b>Shareholder</b>	<b>No. of Common Shares</b>	<b>% of outstanding Common Shares</b>
Tom Anderson <sup>(1)</sup>	97,916,369	35.61%

**Notes:**

- (1) The 97,916,369 Common Shares are owned as to 76,398,174 Common Shares by Inspiration Holdings Limited, a private corporation, managed by Tom Anderson, 500,000 Common Shares are held by Tom Anderson, though Ashdale Investment Trust Services Ltd. and 21,018,195 Common Shares held by Tom Anderson directly.

## **PART 3 – THE BUSINESS OF THE MEETING**

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### **1. Financial Statements**

The Consolidated Financial Statements and Management’s Discussion and Analysis of the Company for the fiscal year ended December 31, 2020, will be placed before you at the Meeting. These financial statements may be requested by completing the enclosed Financial Statement Request Form that accompanies this Information Circular or may be viewed on [www.sedar.com](http://www.sedar.com).

### **2. Election of Directors**

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time.

#### ***Nominees for Election***

The following are the nominees proposed for election as directors of the Company together with the number of voting securities of the Company that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee. All of the nominees are currently directors of the Company. Each of the nominees has agreed to stand for election and we are not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be



nominated at the Meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

As of the date hereof, no additional director nominations for the Meeting have been received by the Company in compliance with the Company's Advance Notice Policy approved by the Board on April 27, 2018.

<b>Name and State/Province and Country of Residence</b>	<b>Position with Company</b>	<b>Principal Occupation</b>	<b>Director since</b>	<b>Voting Shares Beneficially Owned or Controlled <sup>(4)</sup></b>
Ken Stadlin, <sup>(1)</sup> <i>Maryland, USA</i>	Director	President and Chief Executive Officer of Kenergy Solar Inc., a Washington, D.C. based solar sales and installation company.	December 1, 2017	709,543
Anton Shihoff, <sup>(1)</sup> <i>Dublin, Ireland</i>	Director	Director and Partner of Altostrata Energy Limited, a privately held investment company specialising in clean technology	May 4, 2018	1,020,000
Michael Clark, <i>Toronto, Canada</i>	President and Chief Executive Officer, Chairperson <sup>(3)</sup> , Director	Chief Marketing Officer of the Company from December 1, 2017 to April 27, 2018. Chief Operating Officer of the Company from April 27, 2018 to February 15, 2019. President and Chief Executive Officer of the Company since February 15, 2019.	February 15, 2019	11,972,459 <sup>(2)</sup>
Robert J. Miller, <sup>(1)</sup> <i>Nevada, USA</i>	Director	Owner Business to Business or Government consultant since 2005. Governor of the State of Nevada from 1989 to 1999.	July 16, 2019	97,143
Brian Timmons, <sup>(5)</sup> <i>London, UK</i>	Director	Director and CFO of IMS Maxims to March 2020. Director and CFO of Reset Health from April 2020 to present. Chairperson of Ormonde Mining PLC from September 2021 to present.	September 13, 2021	285,000 <sup>(6)</sup>

**Notes:**

- (1) Member of the Audit Committee. Ken Stadlin has been the Chair of the Audit Committee since February 13, 2019.
- (2) 8,123,959 Common Shares are owned by Clark Public Affairs, Ltd., a private corporation wholly owned by Mr. Clark, and 3,848,500 Common Shares are owned by Mr. Clark directly.
- (3) Michael Clark assumed the role of Chairperson following Jason Bak's resignation as Chairperson and Director of the Company effective December 31, 2020.
- (4) Does not include convertible securities. Information as to ownership of shares has been taken from insider reports or other disclosure documents electronically filed with regulators by the entity and publicly available through the Internet at the web site for the Canadian System for Disclosure by Insiders (SEDI) at [www.sedi.ca](http://www.sedi.ca) or the Canadian System for Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).
- (5) Brian Timmons was appointed to the board of directors on September 13, 2021.
- (6) All of Brian Timmons Common Shares are held by BT Pension Fund, a fund wholly owned by Mr. Timmons.

**Management of the Company recommends that shareholders vote in favour of the nominees for election as directors. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the four nominees as directors of the Company for the ensuing year.**

### *Cease Trade Order and Bankruptcy*

On May 1, 2015, the Company was granted a Management Cease Trade Order (“MCTO”) issued by the British Columbia Securities Commission (“BCSC”) while it completed negotiations to acquire Solar Alliance of America, Inc. and had its 2014 financial statement audit completed. The MCTO restricted all trading in the Company’s securities whether direct or indirect, by any of the executive officers of the Company until such time as the outstanding financial reports were filed with the respective securities commissions. The Company issued bi-weekly updates regarding the MCTO by press-release, as required. The 2014 financial statements originally due by April 30, 2015, were filed on SEDAR on June 11, 2015. The filing due date for the first interim quarterly report for the period ended March 31, 2015, was May 29, 2015, and accordingly, after the 2014 year-end financial were filed, the MTCO remained in place until the 2015 Q1 report was filed, which was on June 19, 2015. The MCTO was revoked by the BCSC on June 24, 2015.

Other than what has been set out above, no proposed director of the Company is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, which was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued after the director or executive officer 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.

No director or proposed director or executive officer of the Company:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, executive officer, or shareholder.

No director or proposed director or executive officer of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor deciding whether to vote for a proposed director.

### **3. Appointment of the Auditor**

Morgan & Company LLP previously served as auditor of the Company since March 22, 2019. Morgan & Company LLP merged its practice with Smythe LLP effective August 1, 2020. The Company’s management recommends that shareholders vote in favour of the appointment of Smythe LLP, as the Company’s auditor for the ensuing year and in favour of granting the Board the authority to determine the remuneration to be paid to the auditor.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Smythe LLP to act as our auditor until the close of our next annual general meeting and to authorize the Board to fix the remuneration to be paid to the auditor.**

#### **4. Approval of Renewal of Stock Option Plan**

The Company currently has in place a rolling stock option plan (the “**Option Plan**”) pursuant to which the Company may grant incentive stock options to directors, officers, employees, and consultants of the Company or any of its affiliates (“**Eligible Persons**”). The Option Plan was last approved by shareholders of the Company at the annual general meeting of the Company on February 10, 2021.

In accordance with the rules and policies of the TSX Venture Exchange (the “**TSX-V**”), shareholders must each year approve the Option Plan. The policies require that a stock option plan must specify a maximum number of shares issuable under it, which number can later be increased to a higher specified number only if authorized by the shareholders and accepted by the TSX-V. As of December 31, 2020, there were 23,350,000 options outstanding, of which 23,350,000 options were fully vested and exercisable and as of the date hereof, there are 13,939,286 options outstanding, of which 11,889,286 options are fully vested and exercisable.

The Option Plan is a rolling stock option plan that permits the granting of options of up to 10% of the common shares of the Company issued and outstanding at the date of grant.

The Board is of the view that it is in the best interests of the Company to approve the Option Plan, which will enable the Board to grant options to Eligible Persons as a means of rewarding positive performance and providing incentive to attract and retain personnel to effectively manage the affairs of the Company.

A summary of the material terms of the Option Plan can be found under the heading “*EXECUTIVE COMPENSATION – Stock Option Plans and other Incentive Plans*”.

#### **Recommendation**

The Company is of the view that the Option Plan provides the Company with the flexibility necessary to attract and maintain the services of senior management and other employees in competition with other companies in the renewable energy industry. A copy of the Option Plan is attached hereto as Appendix “B”. The Board shall also have the authority to amend the Option Plan to reduce the benefits to its participants if in their discretion it is necessary or advisable to obtain any necessary regulatory approvals.

#### **Shareholder Approval**

The Company is asking its Shareholders to vote affirmatively on the following ordinary resolution to approve the renewal of the Option Plan (the “**Option Plan Resolution**”):

“**BE IT RESOLVED THAT**, subject to regulatory approval, the Option Plan authorizing the directors to grant options on shares totaling up to a maximum of 10% of the Company’s common shares issued and outstanding from time to time, as at the date of the relevant grant, be and it is hereby approved, together with all options granted thereunder as at the date hereof, and that the Board of Directors be and they are hereby authorized, without further shareholder approval, to carry out the intent of this resolution.”

If this resolution is approved by shareholders, it is expected that the Board will in due course grant further options under the Option Plan as the Board deems fit in light of the overall compensation program and the relative efforts and contributions of the eligible participants under the Option Plan.

**The Board recommends that shareholders vote for the Option Plan Resolution. In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote for the Option Plan Resolution. The discretionary authority granted by the enclosed proxy will be used by management to approve any amendments to the above resolution acceptable to it.**

### **PART 4 – EXECUTIVE COMPENSATION**

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

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*. All amounts in this form are expressed in Canadian dollars.

### ***Named Executive Officers***

“Named Executive Officers” and “NEOs” means each of the following individuals:

1. each individual who, in respect of the company, during any part of the most recently completed fiscal year, served as chief executive officer, including an individual performing function similar to a chief executive officer;
2. each individual who, in respect of the company, during any part of the most recently completed fiscal year, served as chief financial officer, including an individual performing function similar to a chief financial officer;
3. in respect of the company 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 fiscal year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that fiscal year; and
4. each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that fiscal year.

During the most recent fiscal year ended December 31, 2020, the Company had three NEOs: Michael Clark, the Company’s Chief Executive Officer who has acted in this capacity since February 15, 2019, Dan O’Brien, who served as the Company’s Chief Financial Officer through Golden Oak Corporate Services Ltd. until January 27, 2020 and Christina Wu, who succeeded Mr. O’Brien as the Company’s Chief Financial Officer through Marrelli Support Services Inc. Ms. Wu resigned from her role as Chief Financial Officer on September 13, 2021, and was replaced by Rob Roberti on the same date.

The following table sets out the compensation payable by the Company to each of the Company’s directors and named executive officers during the fiscal year ended December 31, 2020, excluding stock options and compensation securities.

<b>Table of compensation excluding stock options and compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer, or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Michael Clark, <i>President, Chief Executive Officer and Director</i> <sup>(1)</sup>	2020	\$201,667	Nil	Nil	Nil	Nil	\$201,667
	2019	\$216,200	Nil	Nil	Nil	Nil	\$216,200

<b>Table of compensation excluding stock options and compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer, or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Dan O'Brien, <i>Former Chief Financial Officer</i> <sup>(2)</sup>	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	\$150,000	Nil	Nil	Nil	Nil	\$150,000
Jason Bak, <i>Former Non-Executive Chairperson and Former Chief Executive Officer</i> <sup>(1)</sup>	2020	Nil	Nil	\$5,000	Nil	Nil	\$5,000
	2019	\$25,494	Nil	Nil	Nil	Nil	\$25,494
Christina Wu, <i>Former Chief Financial Officer</i> <sup>(3)</sup>	2020	\$5,500	Nil	Nil	Nil	Nil	\$5,500
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Anton Shihoff, <i>Director</i>	2020	\$7,500	Nil	\$4,000	Nil	Nil	\$11,500
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Ken Stadlin, <i>Director</i>	2020	Nil	Nil	\$5,000	Nil	Nil	\$5,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Robert Miller, <i>Director</i>	2020	Nil	Nil	\$5,000	Nil	Nil	\$5,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) On February 15, 2019, Michael Clark was appointed President and Chief Executive Officer and Jason Bak became non-Executive Chairperson. Effective December 31, 2020, Jason Bak resigned as non-Executive Chairperson and Director. All compensation paid to Michael Clark was for his role as President and Chief Executive Officer.
- (2) Consulting fees were paid to Golden Oak Corporate Services Ltd., which provided Dan O'Brien's services to the Company as Chief Financial Officer. On January 27, 2020, Mr. O'Brien was succeeded as Chief Financial Officer by Christina Wu. Ms. Wu provided her services through Marrelli Support Services Inc.
- (3) Ms. Wu resigned from her role as Chief Financial Officer on September 13, 2021, and was replaced by Rob Roberti on the same date.

***External Management Companies***

Dan O'Brien, who served as the Company's Chief Financial Officer until January 27, 2020, provided his services through Golden Oak Corporate Services Ltd.

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

The following table sets out the compensation securities payable by the Company to each of the Company's directors and named executive officers during the fiscal year ended December 31, 2020.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion, or exercise price (\$)	Closing price of security or underlying on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Jason Bak, Former <i>Chief Executive Officer and Non-Executive Chairperson and Director</i> <sup>(4)</sup>	Stock Options	2,000,000 0.86% <sup>(2) (3)</sup>	May 6, 2019	\$0.06	\$0.06	\$0.035	May 6, 2024
		1,100,000 0.47% <sup>(2) (3)</sup>	Mar 31, 2020	\$0.05	\$0.05		Mar 31, 2025
		1,400,000 0.60% <sup>(2) (3)</sup>	Oct 27, 2020	\$0.05	\$0.05		Oct 27, 2025
Michael Clark, <i>President, Chief Executive Officer and Director</i> <sup>(4)</sup>	Stock Options	2,000,000 0.86% <sup>(2) (3)</sup>	May 6, 2019	\$0.06	\$0.06	\$0.035	May 6, 2024
		1,100,000 0.47% <sup>(2) (3)</sup>	Mar 31, 2020	\$0.05	\$0.05		Mar 31, 2025
		1,600,000 0.67% <sup>(2) (3)</sup>	Jul 23, 2020	\$0.05	\$0.05		Jul 23, 2025
		400,000 0.17% <sup>(2) (3)</sup>	Oct 27, 2020	\$0.05	\$0.05		Oct 27, 2025
Dan O'Brien, Former <i>Chief Financial Officer</i> <sup>(5)</sup>	Stock Options	2,000,000 <sup>(6)</sup> 0.86% <sup>(2) (3)</sup>	May 6, 2019	\$0.06	\$0.06	\$0.035	May 6, 2024
Christina Wu, Former <i>Chief Financial Officer</i> <sup>(5)</sup>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Anton Shihoff, <i>Director</i>	Stock Options	500,000 0.21% <sup>(2) (3)</sup>	May 4, 2018	\$0.08	\$0.08	\$0.035	May 4, 2023
		2,000,000 0.86% <sup>(2) (3)</sup>	May 6, 2019	\$0.06	\$0.06		May 6, 2024
Ken Stadlin, <i>Director</i>	Stock Options	2,000,000 0.86% <sup>(2) (3)</sup>	May 6, 2019	\$0.06	\$0.06	\$0.035	May 6, 2024
Robert Miller, <i>Director</i>	Stock Options	2,000,000 0.86% <sup>(2) (3)</sup>	Jul 16, 2019	\$0.06	\$0.06	\$0.035	Jul 16, 2024

**Notes:**

- (1) Each stock option entitles the holder to purchase one common share of the Company.
- (2) This figure represents the number of underlying common shares issuable upon exercise of the stock option as a percentage of the total issued and outstanding common shares of the Company as at December 31, 2020, being 233,114,037 shares.
- (3) This stock option was fully vested on the date of grant.
- (4) On February 15, 2019, Michael Clark was appointed President and Chief Executive Officer and Jason Bak became non-Executive Chairperson.

- (5) On January 27, 2020, Mr. O'Brien was succeeded as Chief Financial Officer by Christina Wu who provided her services through Marrelli Support Services Inc. Ms. Wu resigned from her role as Chief Financial Officer on September 13, 2021, and was replaced by Rob Roberti on the same date.
- (6) Held through Golden Oak Corporate Services Ltd.

As of December 31, 2020, the total compensation securities held by NEOs and directors of the Company were as follows:

Name and position	Type of compensation security	Total number of compensation securities	Total number of common share underlying compensation securities
Jason Bak, <i>Former Chief Executive Officer and Former Non- Executive Chairperson and Director</i>	Stock Options	4,500,000	4,500,000
Michael Clark, <i>President, Chief Executive Officer and Director</i>	Stock Options	4,600,000	4,600,000
Dan O'Brien, <i>Former Chief Financial Officer</i> <sup>(1)</sup>	Stock Options	2,250,000 <sup>(2)</sup>	2,250,000 <sup>(2)</sup>
Christina Wu, <i>Former Chief Financial Officer</i>	Stock Options	Nil	Nil
Anton Shihoff, <i>Director</i>	Stock Options	2,500,000	2,500,000
Ken Stadlin, <i>Director</i>	Stock Options	2,500,000	2,500,000
Robert Miller, <i>Director</i>	Stock Options	2,000,000	2,000,000

**Notes:**

- (1) On January 27, 2020, Mr. O'Brien was succeeded as Chief Financial Officer by Christina Wu who provided her services through Marrelli Support Services Inc. Ms. Wu resigned from her role as Chief Financial Officer on September 13, 2021, and was replaced by Rob Roberti on the same date.
- (2) Held through Golden Oak Corporate Services Ltd.

***Exercise of Compensation Securities by Directors and NEOs***

No compensation securities were exercised by any NEO or director of the Company during the most recently completed fiscal year ended December 31, 2020.

No compensation securities were re-priced, cancelled and replaced, extended, or otherwise materially modified during the Company's most recently completed fiscal year ended December 31, 2020.

***Stock option plans and other incentive plans***

***Option Plan***

As described in Item 5, the Company has in place the Option Plan pursuant to which the Company may grant incentive stock options to directors, officers, employees, and consultants of the Company or any of its affiliates ("**Eligible Persons**"). In accordance with the rules and policies defined in Part 3, Item: 4, shareholders must each year approve the Option Plan – see Part 3, Item: 4, - Approval of Renewal of the Stock Option Plan.

The Option Plan is the Company's only securities-based compensation plan. The Option Plan was last approved by the Company's shareholders on February 10, 2021, and is next required to be approved by the Shareholders at the Meeting.

A summary of the material terms of the Option Plan is as follows:

1. The Option Plan is a "rolling plan" under which the maximum number of common shares which may be reserved for issuance is 10% of the issued and outstanding common shares of the Company.

2. The number of shares subject to each option is determined by the Board provided that the Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12-month period, result in:
  - (a) The issuance of stock options to any one person, within that period, of a number of shares exceeding 5% of the issued shares of the Company; and
  - (b) the issuance, within that period, to insiders of the Company of a number of shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; the aggregate number of shares granted to all eligible recipients employed to provide investor relations activities (as defined by the TSX-V) must not exceed 2% of the issued shares of the Company.
3. The exercise price of options must be determined by the Board in compliance with applicable stock exchange policies.
4. The Option Plan provides that options are exercisable for 10 years unless the Board provides for another exercise period when the options are granted in compliance with applicable stock exchange policies.
5. Options granted under the Option Plan are non-assignable and non-transferable. The options can only be exercised by the option holder as long as the option holder remains an Eligible Person pursuant to the Option Plan or within a period of not more than 90 days (30 days for providers of investor relations services) after ceasing to be an Eligible Person or, if the option holder dies or can no longer serve the Company due to disability, within the earlier of (a) a period following such death or disability equal to the period of such option holder's service to the Company, and (b) 365 days from the date of the optionee's death or disability.
6. The options granted pursuant to the Option Plan will be vested on a basis to be determined by the Board and may be vested immediately upon granting.
7. The options granted to an Eligible Person conducting investor relations activities must vest in stages over a period of not less than 12 months with no more than ¼ of the Options vesting in any three-month period. No acceleration of the vesting provisions on options granted regarding investor relations activities is allowed without prior TSX-V approval.
8. On the occurrence of certain "substitution events" (including certain reorganizations, amalgamations, mergers or business combinations and takeover bids), all outstanding options will vest.
9. The Option Plan provides that the options of a deceased option holder expire on the earlier of (a) a period equal to the period the deceased option holder served the Company, and (b) 365 days following death.
10. The Option Plan provides that if a consultant holding options becomes another kind of Eligible Person at the termination of a consulting contract (e.g., if a consultant is hired as an employee), he or she will continue to hold the options granted while a consultant. Similarly, if an Eligible Person who is not a consultant becomes a consultant, he or she will continue to hold the options granted to him or her prior to becoming a consultant.
11. The Board has the discretion (subject to applicable stock exchange rules) to extend the expiry dates of options granted to consultants following the termination of a consulting agreement in the same way it can extend the expiry dates of options granted to other option holders following termination of service to the Company.

### ***Employment, consulting, and management agreements***

The Company has the following arrangements in respect of remuneration received or that may be received by the NEOs in the Company's most recently completed fiscal year ended December 31, 2020, in respect of compensating such officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

#### ***Michael Clark, Chief Executive Officer and President***

Clark Public Affairs Ltd., a company controlled by Michael Clark, entered into a consulting agreement (the "**Clark Agreement**") with the Company on August 17, 2016. Under the Clark agreement, Mr. Clark was employed for an indefinite period unless he was terminated in accordance with the terms of the agreement. Mr. Clark served first as Chief Marketing Officer from December 1, 2017, until April 27, 2018, and as Chief Operating Officer from April 28, 2018 to February 14, 2019. On February 15, 2019, Mr. Clark was appointed Chief Executive Officer and President of the Company and entered into an employment agreement with the Company replacing the earlier Clark Agreement



(the “**2019 Agreement**”). Under the 2019 Agreement, Mr. Clark is employed for an indefinite period unless terminated in accordance with the terms of the agreement. The 2019 Agreement contains provisions with respect to Mr. Clark’s annual base salary, set at \$220,000 per annum.

*Golden Oak Corporate Services Ltd., Chief Financial Officer and Corporate Secretary*

On February 1, 2018, the Company entered into a consulting agreement (“**Golden Oak Agreement**”) with Golden Oak Corporate Services Ltd. (“**Golden Oak**”), a company in which Dan O’Brien and Doris Meyer are directors. Golden Oak provided their services as the Chief Financial Officer and Corporate Secretary of the Company and the provision as an independent contractor by Golden Oak to the Company of accounting, financial, corporate and regulatory compliance services in consideration of an annual service fee plus applicable taxes and reimbursement of reasonable office costs and expenses and all pre-approved travel and out-of-pocket expenses incurred by Golden Oak in furtherance of or in connection with the business of the Company and its subsidiaries. The Golden Oak Agreement was for an initial term of one year and, unless terminated in accordance with its terms, was automatically renewed annually. The annual fee of \$150,000 was set on February 1, 2018. The Golden Oak Agreement may be terminated by the Company for cause without notice at any time upon ten days’ written notice of termination specifying the date of such termination. The Golden Oak Agreement may be terminated by Golden Oak upon 90 days’ written notice to the Company provided that the Company may waive such notice, in which case Golden Oak’s services will terminate upon the Company giving such waiver. The Golden Oak Agreement may be terminated by the Company upon 90 days’ written notice to the Company provided that the Company may waive such notice, in which case Golden Oak’s services will terminate upon the Company giving such waiver. There is no provision for a change of control payment. However, in the event of a change of control event and the Board approving severance payments for its Chief Executive Officer and Chief Operating Officer and other senior executive officers then this Agreement will be amended at that time to reflect a similar payment to Golden Oak in the event of a change of control event. The Golden Oak Agreement contains non-disclosure and non-solicitation provisions typical of an agreement of its nature.

***Termination and Change of Control Benefits***

Mr. Clark’s 2019 Agreement may be terminated by Mr. Clark upon giving the Company three months’ written notice, provided the Company may waive such notice, in which case the employee’s employment will terminate upon the Company giving such waiver. The 2019 Agreement can be terminated by the Company for cause without notice and without cause on payment of three months salary, or \$55,000. On a defined change of control event and if Mr. Clark terminates his employment within 90 days or if his employment is terminated by the Company within one year, Mr. Clark would be paid \$110,000 as severance pay. Under the terms of the employment agreement detailed above, in the event of termination other than for cause, Mr. Clark would be entitled to the following compensation and Golden Oak would be entitled to the following fees:

<b>Name</b>	<b>Position</b>	<b>Termination value without cause</b>	<b>Termination value on change of control</b>
Michael Clark	President and Chief Executive Officer	\$55,000	\$110,000
Golden Oak	Chief Financial Officer, Corporate Secretary	\$Nil	\$Nil

All options immediately vest on a change of control. Options that have vested as of the date of termination remain exercisable for 90 days following termination. The value of unexercised “in-the-money options” at December 31, 2020, are detailed under “Option-based awards” below.

The Golden Oak Agreement was terminated effective February 1, 2020. No termination payable was paid, and the Golden Oak options have expired.

***Directors’ and Officers’ Insurance***

The Company procures a comprehensive directors’ and officers’ liability insurance program. Subject to policy conditions, this program is intended to cover each individual’s liability arising from their duties as a director or officer of the Company provided, they acted honestly and in good faith with a view to the best interests of the Company.

### ***Compensation of Non-Executive Directors***

In the fiscal year ended December 31, 2020, the Board set a compensation rate for the non-executive directors at a flat rate of \$1,000, with an average of five (5) meetings per year.

Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. The Company may, from time to time, grant options to purchase common shares to the directors.

### ***Oversight and description of director and NEO compensation***

#### ***Compensation Philosophy***

Our overall compensation philosophy is to provide a compensation package that enables us to attract, retain and motivate executive officers and employees to achieve our short-term and long-term business goals. Consistent with this philosophy, the following goals provide a framework for our executive officer's compensation program:

1. Pay competitively to attract, retain, and motivate executive officers;
2. Relate total compensation for each executive officer to overall company performance;
3. Aggregate the elements of total compensation to reflect competitive market requirements and to address strategic business needs;
4. Expose a portion of each executive officer's compensation to risk, the degree of which will positively correlate to the level of the named executive officer's responsibility and performance; and
5. Align the interests of our named executive officers with those of our shareholders.

The Company's directors or Named Executive Officers are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

### ***Oversight of Executive Compensation Program***

The Board is responsible for establishing a compensation policy and administering the compensation programs of our executive officers. The members of the Board are Michael Clark (Chair), Ken Stadlin, Anton Shihoff, Robert Miller, and Brian Timmons. Messrs. Stadlin, Shihoff, Miller and Timmons are considered independent directors under the rules of the TSX-V and applicable securities legislation.

The amount of compensation paid by the Company to each of its executive officers and the terms of those persons' employment is determined solely by the Board. The Board considers the implications of risks associated with the Company's compensation policies and practices and considers the compensation paid by the Company to mitigate those policies and practices that could encourage a named executive officer or any employee of the Company to take inappropriate or excessive risks to enhance any portion of their compensation package.

The Board also recommends the amount of compensation paid by the Company to its independent directors.

### ***Compensation Program Overview***

The compensation package is comprised of:

1. base salary or fees; and
2. equity based compensation in the form of stock options to purchase common shares pursuant to the Option Plan.

In making determinations of salary levels for the executive officers, the Board considers the equity compensation provided under the Option Plan to provide a compensation package that encourages and motivates performance.

#### ***Base Salary***

The base salary currently paid to our executive officers is commensurate with the nature of our business and their individual experience, duties, and scope of responsibilities.

The Company intends for salary levels to be consistent with competitive practices of comparable institutions and each executive’s level of responsibility. The Board is likely to determine the level of any salary (or salary increase) after reviewing the qualifications, experience, and performance of the executive officer and the nature of our business, the complexity of its activities, and the importance of the executive’s contribution to the success of the business through discussion only, with no formal objectives (performance or otherwise) or criteria. The Board may also take into consideration salaries paid to others in similar positions in the Company’s industry based on the experience of the Board members and review of publicly available information. The discussion of the information and factors considered and given weight by the Board is not intended to be exhaustive, but it is believed to include all material factors considered by the Board. In reaching the determination to approve and recommend the current base salaries of the Company’s executive officers, the Board did not assign any relative or specific weight to the factors which were considered, and the members may have given a different weight to each factor. The Board will review and adjust the base salaries of our executive officers when deemed appropriate.

*Option-based awards*

Executive officers of the Company, as well as directors, employees, and consultants (together the “**Optionees**”), are eligible to participate in the Company’s Option Plan. Stock option grants are an important part of the Company’s incentive strategy permitting Optionees to share in any appreciation of the market value of the Company’s shares over a stated period, and it is intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance, as measured through the price of the Company’s shares, and enables participants to acquire and maintain an ownership position in the Company.

The Board recommends the individual stock options to the Board and the size of the grants are dependent on, among other things, each individual’s level of responsibility, authority and importance to the Company and the degree to which such long-term contribution to the Company will be responsible for its long-term success. The Board also evaluates the number of options an individual has been granted, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Company’s shares on the business day immediately preceding the date of grant and the current policy of the Board is that options expire five years from the date of grant.

The Company normally grants stock options to an executive officer when they first join the Company based on their level of responsibility. Additional grants may be made periodically to ensure that the number of options granted to any officer is commensurate with the officer’s ongoing level of responsibility within the Company.

*Benefits and Perquisites*

The Company’s named executive officers do not receive perquisites or benefits that are not generally available to all employees of the Company.

*Pension Plan Benefits*

The Company has no formal pension, retirement, or other long-term incentive compensation plan in place for its directors, officers, or employees.

**PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth information in respect of the Company’s equity compensation plans under which equity securities of the Company are authorized for issuance, aggregated in accordance with all equity plans previously approved by the shareholders and all equity plans not approved by shareholders as at December 31, 2020.

<b>Plan Category</b>	<b>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)</b>	<b>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup> <sup>(2)</sup>	23,350,000	\$0.06	23,350,000 <sup>(2)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A

<b>Plan Category</b>	<b>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)</b>	<b>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)</b>
Total	23,350,000	\$0.06	23,350,000 <sup>(2)</sup>

**Notes:**

- (1) The Company’s only equity compensation plan is the Option Plan, a “rolling” stock option plan. The number of Common Shares that may be reserved for issuance pursuant to the Option Plan is limited to 10% of the issued and outstanding Common Shares on the date of any grant of options thereunder.
- (2) Based on a total of 233,114,037 Common Shares issued and outstanding as of December 31, 2020.

**PART 6 – CORPORATE GOVERNANCE DISCLOSURE**

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The following is a summary of Solar Alliance’s approach to Corporate Governance.

***Board of Directors***

The Board of Directors of the Company supervises the CEO and the CFO. Both the CEO and CFO are required to act in accordance with the scope of authority provided to them by the Board.

***Directorships***

No current members of the Board of Directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

***Orientation and Continuing Education***

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company’s business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company’s professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

***Nomination of Directors***

The identification of potential candidates for nomination as directors of the Company is primarily done by the CEO, but all directors are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

***Compensation***

The compensation of directors and the CEO is determined by the Board as a whole. Such compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

***Other Committees***

The Board does not have any standing committees other than the Audit Committee.

***Assessments***

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole.

***Ethical Business Conduct***

*Code of Business Conduct and Ethics*

The Board has adopted a Code of Conduct (the “**Code**”) applicable to all its directors, officers and employees, including the Chief Executive Officer, the Chief Financial Officer and other persons performing financial reporting functions. The Code has been developed to communicate to directors, officers and employees’ standards for business conduct in the use of the company time, resources and assets, and to identify and clarify proper conduct in areas of potential conflict of interest. Each director, officer and employee is provided a copy of the Code and asked to sign an acknowledgement that the standards and principles of the Code will be maintained at all times on the Company business. The Code is designed to deter wrongdoing and promote (a) honest and ethical conduct, (b) compliance with laws, rules and regulations, (c) prompt internal reporting of Code violations, and (d) accountability for adherence to the Code. Violations from standards established in the Code; and specifically, under “Whistleblower” situations, are reported to the Chairperson of the Audit Committee and can be reported anonymously. The Chairperson of the Audit Committee would report to the Board any reported violations at least quarterly, or more frequently depending on the specifics of the reported violation. To date, there have been no reported violations. The Company intends to timely disclose on its web site amendments to, or waivers from, certain provision of the Code that apply to the Company’s directors or executive officers.

The Code of Business Conduct and Ethics is available on the Company’s profile at [www.sedar.com](http://www.sedar.com).

#### *Corporate Disclosure and Insider Trading Policy*

The Company has adopted a Corporate Disclosure and Insider Trading Policy to assist directors, officers, employees, and contractors in meeting their obligations under applicable securities laws, rules and regulations and the rules and regulations of the stock exchange on which the Company’s securities are listed. The policy prohibits trading on material, non-public information and describes certain blackout periods and insider reporting obligations under applicable law.

#### *Whistleblower Policy*

The Company has adopted a whistleblower policy that governs the process through which its officers, employees, and others, either directly or anonymously, can notify the Chairperson of the Audit Committee or counsel to the Company, of concerns relating to the Company’s accounting, internal controls, or auditing matters.

#### *Audit Committee*

The Board has appointed an Audit Committee. The Audit Committee is ultimately responsible for the policies and practices relating to the integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws.

#### *Audit Committee Charter*

The Audit Committee has a charter that sets out its mandate and responsibilities. A copy of the charter is attached to this Information Circular as Appendix “A”.

#### *Audit Committee Members*

The Audit Committee of the Company is comprised of Ken Stadlin (Chair), Anton Shihoff, and Bob Miller. All members of the Audit Committee are “independent” within the meaning of National Instrument 52-110 – *Audit Committees*. All three of the Audit Committee members can be considered to be “financially literate” in that they have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s consolidated financial statements.

#### *Relevant Education and Experience*

All the Audit Committee members are experienced businesspeople with experience in financial matters; each has a broad understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

Mr. Stadlin is Founder and President of Kenergy Solar Inc. (“**Kenergy**”), a Washington, D.C. based solar installer. Founded in 2009, Kenergy has established a leading position in the residential and commercial sectors in the mid-Atlantic region. As a former member of the Board of Directors for Maryland DC Virginia Solar Energy Industries Association (“**MDV-SEIA**”), Mr. Stadlin played an active role in ongoing policy developments in the Maryland and Washington, D.C. markets. Mr. Stadlin served as Chairperson of the DC Policy Committee for MDV-SEIA. Mr.

Stadlin’s broad knowledge of the industry combined with practical knowledge and experience gained from developing over seven (7) MW of solar PV projects. Mr. Stadlin has a Bachelor of Arts Degree from the University of Virginia and an MBA from the University of Maryland.

Mr. Shihoff is a founding partner of Altostrata – an environmental impact investment company, and presently is advisor to, or sits on the board of several environmental technology companies. Mr. Shihoff has extensive public and private financial markets experience, working financing structures for a wide variety of top-tier investment funds and banks, corporations as well as governmental investment agencies.

Mr. Miller is the former Governor of Nevada and has served as a director of several public companies. As governor, Mr. Miller oversaw over 30 diverse departments and hundreds of operating divisions. After his time as governor, he was a senior partner at the law firm of Jones Vargas from 1999-2009. Mr. Miller chaired or co-chaired numerous committees within the National Governors’ Association, including its Chairpersonship from 1996-1997. Mr. Miller’s vast breadth of experience overseeing public entities has necessitated his involvement in analyzing and reviewing finances and has given him a deep understanding of internal controls that an organization must have in place. Mr. Miller obtained a juris doctorate degree from Loyola Law School.

*Audit Committee Oversight*

Since the commencement of the Company’s most recently completed fiscal year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

*Pre-Approved Policies and Procedures for Non-Audit Services*

The Company’s Audit Committee Charter requires that management seek approval from the Audit Committee of all non-audit services to be provided to the Company or any of its subsidiaries by the Company’s external auditor prior to engaging the external auditor to perform those non-audit services.

*External Auditor Service Fees (by category)*

The fees paid or accrued by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

	<b>December 31, 2019</b>	<b>December 31, 2020</b>
Audit fees <sup>(1)</sup>	\$45,000	\$45,000
Tax preparation fees <sup>(3)</sup>	\$3,000	\$17,250
<b>Total</b>	<b>\$48,000</b>	<b>\$62,250</b>

**Notes:**

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Tax Preparation Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities. On December 14, 2017, the Company completed a corporate reorganization transaction which saw the Company transfer its business to a new corporate entity with the same assets and liabilities, shareholders, name, board, and management. KPMG provided tax analysis of the reorganization.

**PART 7 – OTHER INFORMATION**

*Indebtedness of Directors and Executive Officers*

<b>AGGREGATE INDEBTEDNESS (\$)</b>		
<b>Purpose</b>	<b>To the Company or its Subsidiaries</b>	<b>To Another Entity</b>

Share Purchases	Nil	Nil
Other	Nil	Nil

Other than disclosed below, no director, officer or employee, or former director, officer or employee of the Company or its subsidiaries, was indebted to the Company during the most recently completed fiscal year ended December 31, 2020, for other than “routine indebtedness”, as that term is defined by applicable securities law.

The sale of certain wind projects in British Columbia effective December 31, 2014, constituted the material operating assets of the Company which triggered a contractual payment of \$270,000 to Jason Bak a director and officer of the Company. The principal amount accrues interest at 12% per annum. As at December 31, 2020, the contractual payment had not yet been paid and interest totalling \$186,300 had accrued on the amount.

On December 31, 2014, the Company loaned Super Power Energy Corporation, a company controlled by Jason Bak, \$180,000 with interest at the rate of 12% per annum payable at the time the principal is paid. The \$180,000 will be set off against the \$270,000 due to Jason Bak at a mutually agreed date.

***Management Contracts***

The management functions of the Company, and its subsidiaries, are performed by our directors and executive officers and we have no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Company.

***Interest of Informed Persons in Material Transactions***

Except as set out herein, no proposed nominee for election as a director, and no director or officer of the Company or any of its subsidiaries, who has served in such capacity since the beginning of the last financial year of the Company, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company’s outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had any interest in any transaction with the Company or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company, or any of its subsidiaries, or is likely to do so.

***Interest of Certain Persons in Matters to be Acted on at the Meeting***

No proposed director or officer of the Company who has served in such capacity since the beginning of the last financial year of the Company, and none of the respective associates or affiliates of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

***Other Matters***

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

***Additional Information***

You may obtain additional financial information about the Company in the comparative Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2020 which have been filed with regulators and are available for viewing through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com); and copies of which can be obtained by completing the enclosed Financial Statement Request Form. Additional copies may be obtained without charge upon request to us at 620 – 1111 Melville St, Vancouver, BC V6E 3V6 – telephone +1-416-848-4501; fax +1-416-848-0790. You may also access our public disclosure documents through the Internet on SEDAR at [www.sedar.com](http://www.sedar.com).

**Board Approval**

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

**DATED** at Toronto, Ontario, this 31<sup>st</sup> day of December 2021

**ON BEHALF OF THE BOARD OF DIRECTORS**

*(signed) "Michael Clark"*

**Chairperson**



**APPENDIX “A”**

**Audit Committee Charter**

# **SOLAR ALLIANCE ENERGY INC.**

## **Audit Committee Charter**

### **1.0 Purpose of the Committee**

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

### **2.0 Members of the Committee**

2.1 The Audit Committee shall consist of no less than three Directors, the majority of whom shall be "independent" as defined under National Instrument 52-110. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under National Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### **3.0 Meeting Requirements**

3.1 The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Committee shall constitute a quorum.

### **4.0 Duties and Responsibilities**

The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who

perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;

- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;

- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
- (o) review and monitor the adequacy and effectiveness of the Company's whistleblower policy and approve any changes to made thereto;
- (p) review and monitor all related party transactions which may be entered into by the Company; and
- (q) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

## **5.0 Miscellaneous**

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

**APPENDIX “B”**

**Option Plan**

**SOLAR ALLIANCE ENERGY INC.**  
**ROLLING**  
**INCENTIVE SHARE OPTION PLAN**

**Section 1. General Provisions**

**1.1 Interpretation**

For the purposes of this Plan, the following terms shall have the following meanings:

“Board” means the Board of Directors of the Company;

“Common Shares” means the Common Shares without par value of the Company as currently constituted;

“Company” means **Solar Alliance Energy Inc.**;

“Consultant” means an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Company or a subsidiary has a contract for substantial services and who falls within the definition of an “employee” under the rules and policies of the TSX Venture Exchange and the B.C. Securities Commission;

“Eligible Person” means, subject to all applicable laws, any director, officer, employee, part-time employee, Consultant or person engaged in investor relations activities on behalf of the Company or any of its Subsidiary Companies;

“Insider” means an insider as defined under the *Securities Act* (British Columbia);

“Option” means an option to purchase Common Shares granted to an Eligible Persons pursuant to the terms of the Plan;

“Participant” means Eligible Persons to whom Options have been granted;

“Plan” means this Incentive Share Option Plan;

“Post-Termination Exercise Period” means the period after the Termination Date which shall not exceed a maximum of one year during which a Participant’s Options shall be exercisable as determined by the Board or the Chief Executive Officer or President of the Company;

“Subsidiary” have the meanings ascribed to those terms under the *Business Corporations Act* (British Columbia);

“Tax Obligations” means the Company’s withholding, remittance and other funding liabilities under applicable tax law; and

“Termination Date” means the date on which a Participant ceases to be an Eligible Person.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

## **1.2 Purpose**

The purpose of the Plan is to advance the interests of the Company by (i) providing Eligible Persons with additional incentive, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Company, and (iv) encouraging the Eligible Person to remain with the Company or its Subsidiary companies.

## **1.3 Administration**

- (a) This Plan shall be administered by the Board or a committee of the Board duly appointed for this purpose by the Board and consisting of not less than three (3) directors. If a committee is appointed for this purpose, all references to the Board will be deemed to be references to the committee.
- (b) This Plan must be approved by the shareholders at the Company's shareholders meetings and approved by the TSX Venture Exchange annually.
- (c) Subject to the limitations of the Plan, the Board shall have the authority
  - (i) to grant options to purchase Common Shares to Eligible Persons;
  - (ii) to determine the terms, limitations, restrictions and conditions respecting such grants;
  - (iii) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and any other rules and regulations relating to the Plan as it shall from time to time deem advisable;
  - (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan including, without limitation, for the purpose of ensuring compliance with Section 1.8 hereof, as it may deem necessary or advisable. The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Company and all other persons.

## **1.4 Shares Reserved**

- (a) Under the Plan, the maximum number of Common Shares which may be reserved for issuance shall be ten percent (10%) of the issued and outstanding Common Shares. Further, provided that disinterested shareholder approval has been obtained, it shall be permissible under the Plan to issue a number of shares to insiders upon the exercise of stock options, taken together with any outstanding options granted under any previous stock option plans or grants within a one year period that exceeds 10% of the outstanding listed shares (the "Additional Options") (provided that the number of outstanding options at any time does not exceed 10% of the issued shares);
- (b) If there is a change in the outstanding Common Shares by reason of any stock dividend or any recapitalization, amalgamation, subdivision, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the relevant stock exchanges, appropriate substitution or adjustment in:
  - (i) the number or kind of shares or other securities reserved for issuance pursuant to the Plan, and

- (ii) the number and kind of shares subject to unexercised Options theretofore granted and in the options price of such shares;

provided, however, that no substitution or adjustment shall obligate the Company to issue or sell fractional shares. If the Company is reorganized, amalgamated with another corporation or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

### **1.5 Limits with Respect to Insiders**

- (a) The maximum number of Common Shares which may be reserved for issuance to Insiders under the Plan shall be ten (10%) of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to Insiders under any other share compensation arrangement.
- (b) Disinterested shareholder approval shall be obtained for any reduction in the exercise price of the Option, where the Eligible Person is an Insider of the Company.

### **1.6 Amendment and Termination**

- (a) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable legislation, and subject to shareholder and regulatory approval. No such amendment, suspension or termination shall alter or impair any Options or any rights pursuant thereto granted previously to any Participant without the consent of any such Participant. If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan shall continue in effect during such time as an Option or any rights pursuant thereto remain outstanding.
- (b) With the consent of the affected Participants, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which an Option becomes exercisable, subject to the prior approval of the relevant stock exchanges.

### **1.7 Compliance with Legislation**

The Plan, the grant and exercise of Options hereunder and the Company's obligation to sell and deliver Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations, of any stock exchange on which the Common Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Option hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Common Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Common Shares hereunder in violation of this provision shall be void. Common Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws. In particular, if Options are granted to any resident or citizen of the United States, the Board and the Company will use their best efforts to ensure that all matters pertaining to such Options shall be made in compliance with applicable United States securities laws.



## **1.8 Effective Date**

The Plan shall be effective upon the approval of the Plan by the TSX Venture Exchange. Upon the Plan's acceptance by the TSX Venture Exchange it will supersede and replace all previous stock option plans of the Company.

## **1.9 Miscellaneous**

- (a) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.
- (b) Nothing contained in the Plan nor in any Option granted thereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Company or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the exercise of any Option.
- (c) The Plan does not give any Participant or any employee of the Company or any of its subsidiary companies the right or obligation to or to continue to serve as a director, officer or employee, as the case may be, of the Company or any of its subsidiary companies. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Company or any of its subsidiaries other than as specifically provided for in the Plan.
- (d) No fractional Common Shares shall be issued upon the exercise of options granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the exercise of an Option, such Participant shall only have the right to purchase the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

## **Section 2. Options**

### **2.1 Grants**

Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 2.3 hereof, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the exercise of the Options or the sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon exercise of an Option may be forfeited, with the discretion in the Board to modify or rescind such restrictions in the event of certain corporate developments such as a take over bid, reorganization, merger, change in capital or amalgamation. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion; however, no more than 5% of the issued shares of the Company may be issued to any Eligible Person in any 12 month period unless disinterested shareholder approval has been obtained. No more than 2% of the issued shares of the Company may be issued to any one Consultant in any 12 month period. No more than 2% of the issued shares of the Company may be issued to all employees in the aggregate conducting investor relations activities (as defined in the policies of the TSX Venture Exchange) or any Eligible Person providing investor relations services in any 12 month period, calculated as at the date the Options are granted to any Eligible Person. The Company is

required to issue at news release at the time of the grant for options granted to Insiders and any Eligible Person providing investor relations services.

## **2.2 Option Price**

- (a) The Board shall establish the option price at the time each Option is granted, which shall not be less than the discounted Market Price as calculated and defined in accordance with the policies of the TSX Venture Exchange.
- (b) The option price shall be subject to adjustment in accordance with the provisions of Section 1.4(b) hereof.
- (c) A minimum exercise price cannot be established unless the options are allocated to an Eligible Person.

## **2.3 Exercise of Options**

- (a) Options granted must be exercised no later than ten (10) years commencing from the later of the date of grant or such lesser period as may be determined by the Board.
- (b) In addition to any resale restrictions under any applicable laws or other applicable rules of the TSX Venture Exchange pertaining to resale restrictions, all Options with an option price less than the Market Price as calculated and defined in accordance with the policies of the TSX Venture Exchange are subject to a four (4) month hold period from the date the Options are granted to the Eligible Persons.
- (c) The Board may determine when any Option will become exercisable and may determine that the Option shall be exercisable in installments.
- (d) Options granted to an Eligible Person conducting investor relations activities must vest in stages over a period of not less than 12 months with no more than  $\frac{1}{4}$  of the Options vesting in any three month period. No acceleration of the vesting provisions on options granted in regards to investor relations activities is allowed without prior TSX Venture Exchange approval.
- (e) Options granted under the Plan shall not be transferable or assignable, whether absolutely or by way of mortgage, pledge or other charge, by the Participant other than by will or by testamentary instrument or the laws of succession, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.
- (f) A four (4) month hold period (commencing on the date the Options are granted) is required for options granted to Insiders or granted at any discount to the Market Price.
- (g) Except as otherwise determined by the Board, upon the death of a Participant, the legal representative of the Participant may exercise any outstanding portion of the Participant's Options within one year after the date of the Participant's death.
- (h) If a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant will cease to be exercisable after the expiry of the Post-Termination Exercise Period. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or as entitled to a period of notice or termination. Upon expiration of such

Post-Termination Exercise Period all unexercised option rights of that Participant shall immediately terminate and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan.

- (i) If the expiry date of an Option falls within a period during which the Company has formally imposed a blackout period whereby the Company prohibits Optionees from exercising their Options, then conditional upon the Company's securities not being subject to a cease trade order (or similar order under securities law), the Board, Chief Executive Officer or President of the Company may extend the exercise period of Options up to ten business days, provided that the blackout period expires upon the general disclosure of the undisclosed material information for which the blackout was imposed.
- (j) Options that have been cancelled or that have expired without being exercised continue to be issuable under the Plan.
- (k) Each Option shall be confirmed by an option agreement executed by the Company and by the Participant.
- (l) The exercise price of each Common Share purchased under an Option shall be paid in full in cash or by bank draft or certified cheque at the time of such exercise, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Common Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.
- (m) The exercise of an Option will be subject to the policies, procedures and conditions adopted by the Company from time to time to comply with its obligations imposed under applicable tax law, including, without limitation, the Tax Obligations.
- (n) As a condition of exercise of an Option, the Company may require the Participant to deliver, in addition to the subscription price in respect of which an Option is exercised, a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on the account of the Tax Obligations.

## **2.4 Company's Representation**

Options granted to employees, consultants or management company employees shall be accompanied by a Company representation of the Company and the Eligible Person that the Eligible Person is a bona fide employee, consultant or management company employee as the case may be of the Company or its Subsidiary companies.

This Plan dated for reference this 25<sup>th</sup> day of January, 2017.