POND TECHNOLOGIES HOLDINGS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING

and

INFORMATION CIRCULAR

WITH RESPECT TO THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 29, 2021

Dated: May 31, 2021

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF POND TECHNOLOGIES HOLDINGS INC.

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Pond Technologies Holdings Inc. (the "**Corporation**") will be held as a **virtual meeting of Shareholders via teleconference, dial-in number 877-407-2991 (toll free in Canada and USA) or 201-389-0925 (outside Canada and USA) on June 29, 2021 at 10:00 am (Toronto time)** for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2020, together with the auditors' report thereon;

2. to fix the number of directors to be elected at the Meeting at five (5) members;

3. to consider and, if thought appropriate, to pass an ordinary resolution electing five (5) directors of the Corporation;

4. to consider and, if thought appropriate, to pass an ordinary resolution to appoint the auditors of the Corporation and to authorize the directors to fix their remuneration as such;

5. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the existing stock option plan of the Corporation;

6. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information circular accompanying and forming part of this notice (the "**Information Circular**").

Shareholders who are unable to attend the Meeting virtually are requested to vote by proxy. A proxy will not be valid unless it is deposited with the Corporation's transfer agent, Computershare Trust Company of Canada ("**Computershare**"), (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Toronto time) on June 27, 2021, or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjournment of the Meeting.

Shareholders are cautioned that the use of the mail to transmit proxies is at each Shareholder's risk.

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on May 17, 2021 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Given the ongoing public health concerns relating to the COVID-19 pandemic, its public health impact and the associated current restrictions on and the risk in attending large group gatherings, the Corporation has made arrangements to hold the Meeting as a completely virtual meeting, which will be conducted via teleconference, where all Shareholders regardless of geographic location and equity ownership will have an equal opportunity to attend the Meeting, in accordance with the applicable legislation. Shareholders will not be able to attend the Meeting in person. All Shareholders are strongly encouraged to vote prior to the Meeting by any of the means described in the accompanying Information Circular.

DATED at Markham, Ontario, this 31st day of May 2021.

BY ORDER OF THE BOARD

(signed) *"Grant Smith"*

Grant Smith
Chief Executive Officer

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POND TECHNOLOGIES HOLDINGS INC.

INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 29, 2021

Dated: May 31, 2021

Information in this Information Circular is given as at May 31, 2021 unless otherwise indicated.

GENERAL INFORMATION CONCERNING THE MEETING AND VOTING

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by management of Pond Technologies Holdings Inc. (the "**Corporation**") for use at the annual and special meeting (the "**Meeting**") of the shareholders of the Corporation (the "**Shareholders**") to be held as a **virtual meeting of Shareholders via teleconference, dial-in number 877-407-2991 (toll free in Canada and USA) or 201-389-0925 (outside Canada and USA) at 10:00 a.m. (Toronto time) on June 29, 2021** and at any adjournment thereof, for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders accompanying this Information Circular. It is expected that the solicitation of proxies for the Meeting will be made primarily by mail; however, directors, officers and employees of the Corporation may also solicit proxies by telephone, telecopier or in person in respect of the Meeting. **The solicitation of proxies for the Meeting is being made by or on behalf of management of the Corporation and the Corporation will bear the costs in respect of the solicitation of proxies for the Meeting.** In addition, the Corporation may reimburse brokers and nominees for their reasonable expenses in forwarding proxies and accompanying materials to beneficial owners of shares.

Record Date

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on May 17, 2021 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Voting Shares and Principal Shareholders

The Corporation's authorized capital consists of an unlimited number of common shares ("**Shares**") and an unlimited number of first preferred shares. As at the Record Date, the Corporation has 42,919,868 Shares issued and outstanding, each Share carrying the right to one vote.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, directs, or controls, directly or indirectly, 10% or more of the voting rights attached any class of voting securities of the Corporation, other than Mr. Robert McLeese who owns 5,517,812 Shares representing 12.9% of the current issued and outstanding Shares and held by Colmac Holdings Ltd, Georgian Villas Inc. and Colmac Power Inc., entities of which Mr. McLeese is a principal.

As at the Record Date, the directors and officers of the Corporation, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 6,956,976 Shares or approximately 16.2% of the issued and outstanding Shares.

Voting by Proxies

Enclosed with this Information Circular is an instrument of proxy. The persons named in the proxy are officers and/or directors of the Corporation. **Shareholders whose names appear on the records of the Corporation as the registered holders of Shares (the "Registered Shareholders") may choose to vote by proxy whether or not they are able to attend the Meeting virtually. A Registered Shareholder entitled to vote at the Meeting may appoint a person (who need not be a Shareholder) other than the persons already named in the proxy to represent such Shareholder at the Meeting by striking out the printed names of such persons and inserting the name of such other person in the blank space provided therein for that purpose. The person you appoint must attend the Meeting virtually to vote your Shares.**

A proxy will not be valid unless it is deposited with the Corporation's transfer agent, Computershare Trust Company of Canada ("**Computershare**"), (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Toronto time) on June 27, 2021, or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjournment of the Meeting.

In order to be effective, the proxy must be executed by a Registered Shareholder, exactly as his or her name appears on the register of Shareholders of the Corporation. Additional execution instructions are set out in the notes to the proxy. The proxy must also be dated where indicated. If the date is not completed, the proxy will be deemed to be dated on the day on which it was mailed to the Shareholders.

Management representatives designated in the proxy will vote or withhold from voting the Shares in respect of which they are appointed proxy in accordance with the instructions of the Shareholder as indicated on the proxy, and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **In the absence of such direction, such Shares will be voted by the management representatives named in the proxy IN FAVOUR of the motions proposed to be made at the Meeting as set forth in this Information Circular and will be voted by such representatives on all other matters which may come before the Meeting in their discretion.**

The proxy, when properly signed, confers discretionary voting authority on those persons designated therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management does not know of any such amendments, variations or other matters. **However, if such amendments, variations or other matters which are not now known to management should properly come before the Meeting, the persons named in the proxy will be authorized to vote the Shares represented thereby in their discretion.**

Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Shares in their own name.

Shareholders who do not hold their Shares in their own name (the "**Beneficial Shareholders**") should note that only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting.

If Shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depositary for Securities, which acts as nominee for many Canadian brokerage firms). The Shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting Shares for the intermediary's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.

The Meeting materials are being sent to both Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder and the Corporation or its agent has sent the Meeting materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting virtually as a proxyholder for a Registered Shareholder and vote their Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting virtually and indirectly vote their Shares as proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

BENEFICIAL SHAREHOLDERS ARE URGED TO CONTACT THEIR BROKERS FOR INSTRUCTIONS ON HOW TO VOTE. All references to Shareholders in this Information Circular and the accompanying proxy and Notice of Meeting are to Registered Shareholders unless specifically stated otherwise.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities that they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners).

Non-Objecting Beneficial Owners

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. As a result, NOBOs of the Corporation can expect to receive a scannable voting instruction form ("**VIF**") from the Corporation's transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and the Corporation or its agent has sent the Meeting materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send the Meeting materials to you directly, the Corporation (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

Objecting Beneficial Owners

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Shares are voted at the Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their Shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by intermediaries will be similar to the proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your Shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote Shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such Shares are voted.**

Revocation of Proxies

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote virtually at the Meeting. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or the Shareholder's attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

Quorum

A quorum for the transaction of business at the Meeting will be present if there are not less than two (2) individuals present, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative of a Shareholder so entitled to vote thereat, who together own or represent not less than 10% of the Shares entitled to vote at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

Shareholders will receive and consider the Corporation's audited financial statements for the fiscal year ended December 31, 2020, together with the report of the auditor thereon. No vote of the Shareholders is required with respect to this item of business.

2. Fixing the Number of Directors

At the Meeting, it is proposed that the number of directors to be elected at the Meeting to hold office until the next annual general meeting of the Corporation or until their successors are elected or appointed, subject to the articles of incorporation or by-laws of the Corporation, be set at five (5). There are presently five (5) directors of the Corporation, each of whom will retire from office at the Meeting. **Accordingly, unless otherwise directed, it is the intention of management to vote proxies in favour of an ordinary resolution setting the number of directors to be elected at the Meeting at five (5).**

3. Election of Directors

There are currently five (5) directors of the Corporation, each of whom will retire from office at the Meeting. **Unless otherwise directed, it is the intention of management to vote proxies in favour of the election of the following five (5) nominees as directors of the Corporation:**

Grant Smith
Robert McLeese
John M Farah Jr.
J. William Asselstine
Jacob Gamble

If for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named in this proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Shares are to be withheld from voting on the election of directors.

The names, province/state and country of residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, the period served as director and the principal occupation of each are set forth below. The information as to Shares beneficially owned, or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the nominees as of May 31, 2021.

Name and Place of Residence	First Year Served as a Director	Principal Occupation	Number of Shares Beneficially Owned, Controlled or Directed
Grant Smith (3) *Markham, Ontario, Canada*	2020	Chief Executive Officer of the Corporation (April 2020 to present). Mr. Smith has served as President of the Corporation's subsidiary, Pond Naturals Inc., since December, 2018. Mr. Smith is a 25-year veteran of the North American nutraceutical industry and has a strong track record of building strategic relationships and driving sustainable growth within an organization. Mr. Smith will be responsible for shepherding a company-wide effort to increase sales across all divisions as well as supporting the Corporation’s technology licensing efforts through the sourcing of off-take contracts for the high-value algae products that the Corporation’s technology produces	361,664 (0.84%)
J. William Asselstine(1),(2),(3) *Oakville, Ontario, Canada*	2018	Vice President, Sustainability and Cement Sales Canada at SMC (2015 to present); Vice President, Logistics at SMC (2009 to 2015); Vice President, Promotion and Marketing Services (2005 to 2015); Director of Pond Technologies Inc. since 2015.	5,000 (0.01%)
Robert McLeese(1),(3) *Toronto, Ontario, Canada*	2016	Chairman of Pond since December 2020; President and Director at Access Capital Corp. (1990 to present); President at ACI Energy, Inc. since 1998, Chair since 2011;President and Chair at Georgian Villas Inc. (2004 to present); President and Chair at Colmac Holdings Ltd. (2011 to present); Director at EDC (2015 to present) Director at Rand Capital Corp. (2015 to 2016); Director of Pond Technologies Inc. since 2016.	5,517,812 (12.86%)(4)
Jacob Gamble(1),(2) *Ridgefield, Washington, United States*	2020	Managing Director JMG Partners LLC. Chief Executive Officer (2018-19) and Chairman (2018-2020) of the Board for Ventura Cannabis and Wellness Corp., California, listed on the NEX trading board of the TSX-V; Chief Operating Officer, Big Bear Capital, Anato Investment Group, Portland, Oregon (2017-2018); Managing Director, Investments, Paulson Investment Company (2016-2017); Vice President, Fisher Investments, Camas, Washington (2002-2015).	821,000 (1.9%)
John M Farah Jr. PhD *Swarthmore, Pennsylvania United States*	N/A	Industry Advisor, Coulter-Drexel Translational Research Partnership, Drexel University (2015 - present); Managing Director, John M Farah Jr LLC (2011-present); Senior Clinical Consultant Veradigm, an Allscripts business (2018 - present); Independent Director, Aeolus Pharmaceuticals (AOLS) Audit Committee (2005-2018); Vice President (VP) International Pharmaceutical Operations, Cephalon, Inc (2003-2011); Independent Director, GenSpera, Inc. (GNSZ)	Nil

Name and Place of Residence	First Year Served as a Director	Principal Occupation	Number of Shares Beneficially Owned, Controlled or Directed
		Compensation & Governance Committees (2008-2010)	

Notes:

(1) Member of the Audit Committee.
(2) Member of the Nomination and Compensation Committee.
(3) Member of Governance Committee
(4) Held by Colmac Holdings Ltd., Georgian Villas Inc. and Colmac Power Inc., entities of which Mr. McLeese is a principal.
(5) Directors elected at the Meeting will serve in such capacity until the next annual general meeting of Shareholders or until they resign or are removed from office.

Cease Trade Orders or Bankruptcies

To the knowledge of the Corporation, no proposed director of the Corporation 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, chief executive officer or chief financial officer of any company (including the Corporation) 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, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Except as disclosed below, to the knowledge of the Corporation, no proposed director of the Corporation:

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

Mr. Farah acted as an independent director of Aeolus Pharmaceuticals, Inc., which became reliant solely upon U.S. Department of Health and Human Services service contracts from the Biomedical Advanced Research and Development Authority ("**BARDA**") for public health medical emergencies associated with chemical, biological, radiological and nuclear accidents. Aeolus failed to access alternative funding after BARDA revenue was discontinued in March 2017, resulting in Aeolus commencing an out-of-court liquidation conducted by an Assignment for the Benefit of Creditors pursuant to Delaware law in March 2018.

Penalties or Sanctions

No proposed director of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors of the Corporation.

4. Appointment of Auditor

Management proposes to appoint RSM Canada LLP to act as the Corporation's independent auditor until the next annual meeting of shareholders, at a remuneration to be determined by the Board. RSM Canada LLP was first appointed auditor of the Corporation on June 26, 2018.

Unless otherwise directed, it is the intention of management to vote proxies in favour of an ordinary resolution appointing RSM Canada LLP as the auditor of the Corporation, to hold office until the next annual meeting of the shareholders, at a remuneration to be determined by the Board.

5. Option Plan Resolution

Pursuant to TSX Venture Exchange (the "**TSXV**") Policy 4.4 - *Incentive Stock Options* (the "**TSXV Policy**"), the Corporation is permitted to maintain a rolling stock option plan reserving for issuance, pursuant to the exercise of stock options of the Corporation, a number of Shares equal to up to a maximum of 10% of the issued Shares of the Corporation. In accordance with the TSXV Policy, rolling stock option plans must receive shareholder approval yearly at an annual meeting. The Corporation's stock option plan (the "**Option Plan**") was previously approved by Shareholders at the annual and special meeting of the Corporation held on December 9, 2020. The Corporation is not proposing any changes to the existing Option Plan. A copy of the Option Plan is attached hereto as Schedule A. For additional information about the Option Plan please see "*Securities Authorized for Issuance Under Equity Compensation Plans – Option Plan*".

Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution approving the Option Plan (the "**Option Plan Resolution**"), substantially in the form set forth below:

"RESOLVED THAT:

1. the Stock Option Plan of Pond Technologies Holdings Inc. (the "**Corporation**"), in the form appended as Schedule A to the Corporation's information circular in respect of the meeting of shareholders of the Corporation held on June 29, 2021, and as the same may be revised to satisfy the requirements of the TSX Venture Exchange, is hereby approved; and

2. any director or officer of the Corporation is hereby authorized and directed to do all such things and execute, for and on behalf of the Corporation, all such documents and other instruments as may be necessary or desirable in order to give effect the foregoing resolutions."

Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote for the Option Plan Resolution.

If approved, the implementation and effectiveness of the Option Plan Resolution will be subject to its prior approval by the TSXV.

STATEMENT OF EXECUTIVE COMPENSATION

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth, for the years ended December 31, 2020 and 2019, all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or a subsidiary thereof to each of the Corporation's directors and "named executive officers" (as defined under securities laws).

Table of compensation excluding compensation securities

Name and position	Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Grant Smith Director and CEO	2020 2019	$192,000 $192,000	$32,000 NIL	NIL NIL	NIL NIL	$3,570 $3,319	$227,570 $195,319
Thomas Masney Chief Financial Officer	2020 2019	$192,000 $192,000	NIL NIL	NIL NIL	NIL NIL	$3,101 $3,043	$195,101 $195,043
J.William Asselstine Director	2020 2019	NIL NIL	NIL NIL	$9,750 NIL	NIL NIL	NIL NIL	$9,750 NIL
Robert McLeese Chairman & Director	2020 2019	NIL NIL	NIL NIL	$9,250 NIL	NIL NIL	NIL NIL	$9,250 NIL
Anthony J Giovinazzo Director	2020 2019	$2,164 N/A	NIL N/A	$500 N/A	NIL N/A	NIL N/A	$2,664 N/A
Gerry Quinn Former Director	2020 2019	NIL NIL	NIL NIL	$10.875 NIL	NIL NIL	NIL NIL	$10,875 NIL
Steven Martin Former Director, Former President & CEO	2020 2019	$63,500 $216,000	NIL NIL	NIL NIL	NIL NIL	$332 $1,328	$63,832 $217,328

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each director and named executive officer by the Corporation in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
J. William Asselstine Director	Deferred Share Units	95,642 (13.6%)	Q1 45,017 Q2 20,000 Q3 20,000 Q4 10,625	Note 1	Quarterly average $0.24	$0.30	30 days subsequent to ceasing to be a director
Robert McLeese Director	Deferred Share Units	84,741 (12.0%)	Q1 40,366 Q2 17,500 Q3 17,750 Q4 9,375	Note 1	Quarterly average $0.24	$0.30	30 days subsequent to ceasing to be a director
Anthony J Giovinazzo Director	Deferred Share Units Share Options	4,167 (0.6%) 450,000 (19.5%)	Q4 4,167 Dec 9, 2020	Note 1 $0.26	Quarterly average $0.30 $0.26	$0.30 $0.30	30 days subsequent to ceasing to be a director
Gerry Quinn Former Director	Deferred Share Units	94,323 (13.4%)	Q1 52,760 Q2 17,500 Q3 17,500 Q4 6,563	Note 1	Quarterly average $0.24	$0.30	30 days subsequent to ceasing to be a director
Geraldine Kenney-Wallace Former Director	Deferred Share Units	753 (0.1%)	Q1 753	Note 1	Average $0.22	$0.30	30 days subsequent to ceasing to be a director

Notes:

(1) In respect of that portion of a Director's director compensation that is payable on a quarter conversion date basis which is to be satisfied by crediting the Director's Deferred Share Unit Account, the Corporation shall credit, and shall be deemed to have credited, as of the conversion date, the number of Deferred Share Units determined by dividing (i) the monetary amount of the Director's director compensation to be satisfied in the form of Deferred Share Units by (ii) the greater of $0.50 and the market value of the Shares on such date. DSUs will be fully vested upon being credited to a Director's Deferred Share Unit Account and the Directors' entitlement to the settlement of his or her Deferred Share Unit.

(2) As at December 31, 2020, the total DSU compensation securities outstanding was 704,932.

During the year ended 2020, Geraldine Kenney-Wallace exercised her compensation securities.

Stock Option Plans and Other Incentive Plans

Stock Option Plan

For details regarding the Corporation's current Option Plan, see "*Matters to be Acted Upon – Option Plan Resolution*" and "*Securities Authorized for Issuance Under Equity Compensation Plans*".

Directors' Deferred Share Unit Plan

The Corporation's DSU Plan is designed to attract and retain highly qualified individuals to serve as directors of the Corporation and its affiliates, and to relate such individuals' interests more closely to the Corporation's performance and its shareholders' interests.

In general, pursuant to the DSU Plan, directors may elect to have all or a portion of their cash compensation as directors be satisfied through the issuance of deferred share units. The number of such units credited to the directors will be equal to the compensation amount elected divided by the greater of $0.50 and the then market price of the Shares listed on the TSXV. Upon ceasing to be a director, settlement of the units shall be satisfied through the payment of cash, the issuance of Shares, or a combination thereof, as determined by the Corporation. The number of Shares reserved for issuance under the DSU Plan at any time shall not exceed 1,500,000 Shares. As at the date of this Information Circular there are 704,932 Shares reserved for issuance

Employment, Consulting and Management Agreements

Pursuant to an employment agreement between Pond Naturals Inc. and Mr. Grant Smith dated December 1, 2018, Mr. Smith acted as President of the Corporation's subsidiary, Pond Naturals Inc. On April 15, 2020 Mr. Smith was appointed as Chief Executive Officer of the Corporation and the terms of employment and annual compensation remained the same and are subject to review by the Nomination and Compensation Committee. Mr. Smith earned an annual salary of $192,000 in 2020 and was entitled to participate in the health plans and any bonus incentive compensation plans that are established.

Pursuant to an employment agreement between the Corporation and Thomas Masney dated July 1, 2016 and the annual compensation reviews by the Nomination and Compensation Committee, Mr. Thomas earned an annual salary of $192,000 in 2020 and is entitled to participate in the health plans and any bonus incentive compensation plans that are established. In addition, the agreement imposes non-competition and non-solicitation obligations upon Mr. Masney during his employment and for one year after ceasing to be an employee. His employment may be terminated for cause without payment of any compensation for damages or anticipated earnings and may be terminated without cause on one months' notice or salary in lieu thereof. Mr. Masney may terminate his employment on one months' notice.

See also "*Management Contracts*" below.

Oversight and Description of Director and Named Executive Officer Compensation

Oversight

The Corporation's Nomination and Compensation Committee is charged with the mandate to assist the Board in respect of, among other things, the compensation of members of the Board and of senior management.

The Nomination and Compensation Committee consists of a minimum of three directors, and is currently comprised of Anthony Giovinazzio (Chair), Jacob Gamble and William Asselstine.

The committee's duties include, among other things, assisting the Board with the development and implementation of principles and processes related to compensation, monitoring external events with regard to compensation with the view of keeping the Corporation proactive with respect to best practices and legislation affecting compensation, assessing the Corporation's compensation models, reviewing the adequacy and form of compensation for directors, the Board Chair, committee chairs and committee members, and administering the employment terms and compensation program of the Chief Executive Officer and any other member of senior management.

The committee members have practical experience with private and public companies that enable the committee to make decisions on the suitability of the company's compensation policies and practices

Executive Compensation Principles

The main objectives of the Corporation's executive compensation program is to attract, recruit and retain individuals of high caliber to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align their interests with the long-term interests of the Shareholders and enhancement in share value. In approaching these key objectives, the Board recognizes that a "pay-for-performance" philosophy should be applied in compensation-related decisions and that such objectives are designed to promote the Corporation's continued growth.

The Corporation's compensation program is primarily designed to reward performance and, accordingly, the performance of the Corporation and its paid executives (and other executive officers who may become paid employees of the Corporation at a future date) are examined by the Nomination and Compensation Committee and the Board in conjunction with setting executive compensation packages. Some of the factors looked at by the Board in assessing the performance of the Corporation and its executive officers are as follows: (a) development and deployment of technology; (b) sales; (c) finding and reducing costs; (d) developing successful relationships with potential customers; and (e) the Corporation's performance for all of the above relative to its stated goals and objectives and in relation to the performance of its industry peer group.

Executive compensation consists of three principal components: (a) base salary; (b) bonuses: and (c) participation in long-term incentive compensation programs. The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competitiveness of the Corporation's executive compensation package. Each element of the Corporation's executive compensation program is described below.

Elements of the Corporation's Executive Compensation Program

Base Salaries

The base salary component is intended to provide a fixed level of competitive pay that reflects the executive's primary duties and responsibilities. It also provides a foundation upon which performance based incentive compensation elements are assessed and established. The Corporation intends to pay a base salary to its executives that is competitive with those of comparable companies in the technology sector. The Nomination and Compensation Committee compares the base salaries of its executives with that of officers at peer companies in the technology sector and expects to set the Corporation's pay level in-line with the average for such position while also considering the other components of its executive compensation package. Factors looked at in assessing peer companies will include total revenue, total assets, funds from operations, total level of capital expenditures, number of employees and revenue growth.

Annual Cash Bonuses

The Nomination and Compensation Committee reviews the factors mentioned above relative to peer companies in order to determine whether an annual bonus is warranted. The annual cash bonus element of the compensation program is designed to reward both corporate and individual performance during the last completed financial year. The amount of any bonus paid is the result of analysis and subjective determination of both the Corporation's and the individual's performance and is approved by the Board. The Board has not established strict predetermined quantitative performance criteria linked to the payment of bonuses.

Long Term Incentive Compensation — Stock Options and DSUs

Options are granted under the Option Plan to directors, officers, employees, consultants and other service providers, and are intended to align executive, employee, consultants, service provider and shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Option Plan rewards overall corporate performance, as measured through the price of the Shares, which are traded on the TSXV. In addition, the Option Plan enables executives to develop and maintain a significant ownership position in the Corporation. The outstanding amount of previously granted stock options to an individual is taken into account when considering new grants. See "*Securities Authorized for Issuance Under Equity Compensation Plans – Option Plan*".

In addition, the DSU Plan allows the Corporation to grant DSUs under that plan to attract and retain highly qualified individuals to serve as directors of the Corporation and its affiliates, and to relate such individuals' interests more closely to the Corporation's performance and its shareholders' interests.

Pension Plan Benefits

The Corporation does not have a pension plan or similar benefit program.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders – Stock Options and DSU	Stock Options - 2,310,000 DSUs – 704,932	$1.03 See note 2	642,660 (1) 795,068 (3)
Equity compensation plans to be approved by securityholders	Nil	Nil	Nil
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	3,014,932	N/A	1,437,728

Notes:

(1) This amount represents 2,952,660 Shares (being 10% of the issued and outstanding Shares as at December 31, 2020) less 2,310,000 Shares (being the number of Shares reserved for issuance under the Option Plan as at December 31, 2020).
(2) The exercise price of the DSUs is determined by the greater of $0.50 and the market value of the Shares at the time of settlement.
(3) The number of Shares reserved for issuance under the DSU Plan is fixed at 1,500,000 Shares.

Option Plan

The Option Plan permits the granting of options to purchase Shares to directors, officers, employees, consultants and other service providers ("**Optionees**") of the Corporation. The Option Plan is intended to afford persons who provide services to the Corporation an opportunity to obtain an increased proprietary interest in the Corporation by permitting them to purchase Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with the Corporation. The Option Plan is administered by the Board.

Pursuant to the terms of the Option Plan, the aggregate number of Shares reserved for issuance:

(a) on exercise of all options issued under the Option Plan at any given time shall not exceed 10% of the number of outstanding Shares;

(b) to any one Optionee in a 12 month period shall not exceed 5% of the number of outstanding Shares;

(c) to any one director or officer under the Option Plan shall not exceed 5% of the number of outstanding Shares;

(d) to any one consultant in a 12 month period shall not exceed 2% of the number of outstanding Shares; and

(e) to all eligible charitable organizations shall not exceed 1% of the number of outstanding Shares,

subject to the terms of the Option Plan. Further, the maximum number of securities of the Corporation issuable to insiders, as such terms is defined in the Option Plan, at any time pursuant to the Option Plan shall not exceed 10% of the number of outstanding Shares. The maximum number of securities of the Corporation issued to insiders, within any one year period, under the Option Plan, shall not exceed 10% of the number of outstanding Shares.

Options that are cancelled, terminated or expired prior to exercise of all or a portion thereof shall result in the Shares that were reserved for issuance thereunder being available for a subsequent grant of options pursuant to the Option

Plan. As the Option Plan is a "rolling" plan, the issuance of additional Shares by the Corporation or the exercise of options will also give rise to additional availability under the Option Plan.

Options granted pursuant to the Option Plan have a term not exceeding five years and vest in such manner as determined by the Board. In the absence of any specific determination to the contrary by the Board, options will vest and be exercisable as to 1/3 on each of the first, second and third anniversaries of the date of grant, subject to acceleration of vesting in the discretion of the Board. If an option is set to expire within 10 business days following the end of a Black Out Period (as such term is defined in the Option Plan), the expiry date of the option shall be extended for 10 business days following the end of the Black Out Period.

The exercise price of the options granted pursuant to the Option Plan is determined by the Board at the time of grant, provided that the exercise price shall not be less than the discounted market price, determined in accordance with the rules of the TSXV. For this purpose, discounted market price shall mean the closing trading price per Share on the last trading day preceding (a) the issuance of a news release in respect of the option grant; or (b) the date of grant, as applicable, on which there was a closing price, less the applicable discount.

In the event that an Optionee ceases to be a director, officer, employee of or service provider to the Corporation or a subsidiary of the Corporation for any reason, including without limitation, resignation, dismissal or otherwise but excluding death, the Optionee may, prior to the expiry date of the options and within 90 days from the date of ceasing to be a director, officer, employee or service provider, exercise any options which are vested within such period, after which time any outstanding options shall terminate. In the event of death of the Optionee, the Optionee's legal representative may, within one (1) year from the Optionee's death and prior to the option expiry date, exercise the options which are vested within such period, after which time any remaining options shall terminate.

CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Corporation's current corporate governance practices, as prescribed by Form 58-101F2 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

Board of Directors

The Board currently consists of five directors who provide the Corporation with a wide diversity of business experience. Four of the current Board members (representing 80% of the Board), being Messrs. McLeese, Gamble, Asselstine and Giovinazzo, are independent directors as such term is defined by NI 58-101. Mr. Smith as a member of the Board and in his capacity as the Chief Executive Officer is not an independent director as that term is defined in NI 58-101. Each of the independent directors has no direct or indirect material relationship with the Corporation, including any business or other relationship, which could reasonably be expected to interfere with the director's ability to act with a view to the best interest of the Corporation or which could reasonably be expected to interfere with the exercise of the director's independent judgment.

Directorships

Mr. Giovinazzo, is currently a director of Titan Medical Inc., a reporting issuer listed on the TSX and NASDAQ.

Orientation and Continuing Education

The Board mandate obligates the Board to ensure that a comprehensive director orientation program is in place and that it is functioning on a timely basis and to ensure the provision of ongoing internal and third-party education programs for directors. These programs are currently being developed and implemented. As new directors join the Board, management will provide these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures will prove to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited changes to members of the Board and the experience and expertise of the members of the Board.

Ethical Business Conduct

The Board has adopted a code of business conduct and ethics, mandating the honest use of time, funds and property in ethical dealings with co-workers and others and high standards of courtesy, professionalism and honesty in interactions with customers, shareholders, stakeholders, co-workers and the community. The Board mandate also includes obligations on the part of the Board to set an ethical and professional tone for the Corporation and its senior management, foster ethical and responsible decision-making behaviour of senior management and approve, regularly review and monitor compliance with the Corporation's code of business conduct and ethics.

Nomination of Directors

The Corporation's Nomination and Compensation Committee, comprised of Anthony Giovinazzo (Chairman), Jacob Gamble and William Asselstine, is charged with the mandate to assist the Board in respect of, among other things, the nomination of members of the Board. The Nomination and Compensation Committee will work with the Board and management to initially assess the need for a new candidate for the Board. Based on the initial assessment, the Nomination and Compensation Committee will review candidates put forward, review background information provided, meet with the proposed candidates and determine acceptability. A wider search will be undertaken if necessary.

Compensation

The Corporation's Nomination and Compensation Committee is charged with the mandate to assist the Board in respect of, among other things, the compensation of members of the Board and of senior management. The Nomination and Compensation Committee will review the compensation recommendations made by management and evaluate the recommendations before making a recommendation to the Board. See "*Statement of Executive Compensation – Compensation Governance*".

Other Board Committees

The Corporation's Governance Committee, comprised of William Asselstine (Chairman), Robert McLeese and Grant Smith is charged with the mandate to assist the Board in respect of the review and evaluation of each of the Board related mandates including the Audit Committee mandate, Nomination and Compensation Committee mandate, and disclosure mandates including confidentiality and trading policy and other governance policies.

Assessments

The Board makes annual assessments regarding the effectiveness of the Board itself, committees and individual directors in fulfilling their responsibilities.

Audit Committee

Audit Committee Mandate and Terms of Reference

The Mandate of the Audit Committee of the Board is attached hereto as Schedule B.

Composition of the Audit Committee

The following table sets forth the names of each current member of the Audit Committee, whether such member is independent (in accordance with National Instrument 52-110 – *Audit Committees* ("**NI 52-110**")), whether such member is financially literate and the relevant education and experience of such member:

Name and Jurisdiction of Residence	Independent	Financially Literate	Relevant Education and Experience
Jacob Gamble *Ridgefield, Washington, United States*	Yes	Yes	Chief Executive Officer (2018-19) and Chairman (2018-2020) of the Board for Ventura Cannabis and Wellness Corp., California, listed on the NEX trading board of the TSX-V; Chief Operating Officer, Big Bear Capital, Anato Investment Group, Portland, Oregon (2017-2018); Managing Director, Investments, Paulson Investment Company (2016-2017);

			Vice President, Fisher Investments, Camas, Washington (2002-2015). Director of Pond Technologies Holdings Inc. since 2020.
J. William Asselstine *Oakville, Ontario*	Yes	Yes	Vice President, Sustainability and Cement Sales Canada at SMC (2015 to present); Vice President, Logistics at SMC (2009 to 2015); Vice President, Promotion and Marketing Services (2005 to 2015); Director of Pond Technologies Holdings Inc. since 2015.
Robert McLeese *Toronto, Ontario*	No	Yes	President and Director at Access Capital Corp. (1990 to present); President at ACI Energy, Inc. since 1998, Chair since 2011; President and Chair at Georgian Villas Inc. (2004 to present); President and Chair at Colmac Holdings Ltd. (2011 to present); Director at EDC (2015 to present) Director at Rand Capital Corp. (2015 to 2016); Director of Pond Technologies Holdings Inc. since 2016.

External Auditor Service Fees

Audit Fees

The aggregate fees billed by the Corporation's external auditor in each of the last two fiscal years for audit services were $157,000 in 2020 and $184,000 in 2019.

Audit – Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements that are not reported under "*Audit Fees*" above were $nil in 2020 and $nil in 2019.

Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning were $nil in 2020 and $5,000 in 2019.

All Other Fees

The aggregate fees billed in each of the last two fiscal years for other professional services rendered by the Corporation's external auditor amounted to $nil in 2020 and $nil in 2019.

Exemptions

The Corporation relies on section 6.1 of NI 52-110 as the Corporation is a venture issuer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation, or of its subsidiaries, or any associate of any such director, executive officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or to any of its subsidiaries in respect of any indebtedness that is still outstanding, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any directors or executive officers of the Corporation, any shareholder who beneficially owns or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, or any other "informed person" (as defined in NI 51-

102 – *Continuous Disclosure Obligations*), in any transaction since commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries except as disclosed herein and as follows:

MANAGEMENT CONTRACTS

The Corporation is party to a management agreement (the "**Management Agreement**") with Grizzly Resources Limited ("**GRL**"), a company that was, prior to completion of the reverse take-over and change of business transaction involving the Corporation (then named Ironhorse Oil & Gas Inc.) and Pond Technologies Inc. that occurred on January 30, 2018 (the "**RTO Transaction**"), related to the Corporation by virtue of common management. Before completion of the RTO Transaction, GRL provided, pursuant to the Management Agreement, technical and administrative services typically required in operating an oil and gas company. These included management, development, exploitation and operation of the Corporation's assets and access to geological and technical data. This arrangement provided the Corporation with the benefits of accessing a larger more comprehensive pool of technical and administrative services than it could otherwise afford. For the period ended December 31, 2020, total fees of $36,000 (December 31, 2019: $90,000) were paid by the Corporation to GRL under the Management Agreement. In connection with the completion of the RTO Transaction, the services provided by GRL were revised to focus exclusively on providing management services in respect of the Corporation's Pembina asset and the associated monthly fee was amended as of January 1, 2020 to $3,000 per month. The Management Agreement will remain in place until the Corporation's Pembina oil and gas asset is sold.

Pond's former director Gerry C. Quinn of Mississauga, Ontario is a director of GRL.

No insider of GRL or any of their respective associates or affiliates is, or has been at any time since the commencement of the Corporation's last financial year, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that was outstanding or a party to any transaction or arrangement with the Corporation or any of its subsidiaries, other than the RTO Transaction.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

ADDITIONAL INFORMATION

Additional information respecting the Corporation is available on SEDAR at www.sedar.com. Financial information respecting the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Shareholders can access this information on the SEDAR website or by request to the Chief Financial Officer of the Corporation at the following address:

Pond Technologies Holdings Inc., 250 Shields Court, Unit 8, Markham, Ontario, L3R 9W7, Phone: (416) 287-3835 Facsimile: (416) 287-3808.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

SCHEDULE A
STOCK OPTION PLAN

1. Purpose of Plan

The purpose of this plan (the "**Plan**") is to develop the interest of Directors, Employees and Consultants of Pond Technologies Holdings Inc. (the "**Corporation**") in the growth and development of the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a committee of directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee, or if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Committee**"). The Committee shall ensure that Optionees (as defined below) under the Plan are eligible to participate in the Plan, and, if required by the Exchange, shall represent and confirm that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

3. Granting of Options

The Committee may from time to time designate Directors, Employees and Consultants of the Corporation and its subsidiaries (collectively, the "**Optionees**") to whom options ("**Options**") to purchase Common Shares of the Corporation ("**Shares**") may be granted and the number of Shares to be optioned to each (and subject to such additional restrictions and limitations as the policies of the Exchange may impose):

(a) the aggregate number of Shares reserved for issuance on exercise of all Options issued under the Plan at any given time shall not exceed 10% of the number of Outstanding Shares at such time, subject to the adjustment as set forth in Section 8 hereof and the other provisions hereof;

(b) the aggregate number of Shares reserved for issuance to any one Optionee in a 12 month period shall not exceed 5% of the number of Outstanding Shares, unless the Corporation complies with the policies of the Exchange;

(c) the aggregate number of Shares reserved for issuance to any one director or officer under the Plan shall not exceed 5% of the number of Outstanding Shares;

(d) the aggregate number of Shares reserved for issuance to any one Consultant in a 12 month period shall not exceed 2% of the number of Outstanding Shares;

(e) the aggregate number of Shares reserved for issuance to any one Optionee employed to provide Investor Relations Activities in a 12 month period shall not exceed 2% of the number of Outstanding Shares;

(f) the aggregate number of Shares reserved for issuance to all Eligible Charitable Organizations will not exceed 1% of the number of Outstanding Shares;

(g) the maximum number of securities of the Corporation issuable to Insiders at any time pursuant to the Plan shall not exceed 10% of the number of Outstanding Common Shares; and

(h) the maximum number of securities of the Corporation issued to Insiders, within any one year period, under the Plan, shall not exceed 10% of the number of Outstanding Common Shares;

provided that for the purposes of paragraphs (g) and (h), an entitlement granted prior to the grantee becoming an Insider may be excluded in determining the number of Shares issuable to Insiders.

The Shares that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expire in accordance with the terms of the Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

4. Vesting

(a) The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, acceleration of vesting (including, without limitation, in the case of a takeover bid or other change of control), or that no vesting restriction shall exist. In the absence of any determination by the Committee as to vesting, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant.

(b) Notwithstanding the foregoing, unless otherwise permitted by the Exchange, Options issued to Consultants performing Investor Relations Activities must vest in stages over a period of not less than 12 months, with no more than one quarter of the Options vesting in any three month period.

5. Exercise Price

(a) Subject to the policies of the Exchange, the exercise price (the "**Exercise Price**") of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Discounted Market Price of the Shares. For this purpose, "**Discounted Market Price**" shall mean the closing trading price per Share on the Exchange (or if the Shares are not listed on the Exchange, on such stock exchange as the Shares are then traded) on the last trading day preceding (i) the issuance of a news release in respect of the Option grant or (ii) the date of grant, as applicable, on which there was a closing price, less the applicable discount, or, if the Shares are not listed on any stock exchange, a price determined by the Committee.

(b) The Corporation must obtain disinterested shareholder approval for any reduction in the Exercise Price of an Option that is held by an Insider of the Corporation.

6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant, provided that no Option may be exercised beyond five years from the date of grant. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee (except as provided herein). In addition, each Option shall provide that:

(a) upon the death of the Optionee, provided the Optionee was a Service Provider for at least one year following the grant of the Options (unless otherwise determined by the Committee), the Option shall terminate on the date determined by the Committee, which shall not be more than one year from the date of death; and

(b) unless the directors of the Corporation determine otherwise, if the Optionee shall no longer be a Service Provider to the Corporation, the Option shall terminate on the expiry of the period (the "**Termination Date**") not in excess of 90 days, and in the case of Optionees performing Investor Relations Activities, not in excess of 30 days, prescribed by the Committee at the time of grant, following the date that the Optionee ceases to be a Service Provider to the Corporation;

(c) If the expiry date of any Option falls within any Blackout Period or within ten business days following the end of any Blackout Period (the "**Restricted Options**"), then the expiry date of such Restricted Options shall, without any further action, be extended to the date that is ten business days following the end such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 11 hereof.

provided that the number of Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be a Service Provider to the Corporation (other than if the Service Provider is terminated by the Corporation for cause).

An Option shall be non-assignable and non-transferable by the Optionee unless specifically provided for herein. The Corporation shall not recognize any attempted exercise or any purported assignee of an Optionee. During the lifetime of an Optionee, any Options granted hereunder may only be exercised by the Optionee and in the event of the death or permanent disability of an Optionee, by the person or persons to whom the Optionee's rights under the Option pass by the Optionee's will or the laws of descent and distribution.

7. Exercise of Option

Subject to the Plan, an Optionee (or his or her legal personal representative) may exercise from time to time by delivery to the Corporation, at its head office in Markham, Ontario of a written notice of exercise ("**Exercise Notice**") specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased. Upon exercise of the Option, the Corporation will cause to be delivered to the Optionee a certificate or certificates, representing such Shares in the name of the Optionee or the Optionee's legal personal representative or otherwise as the Optionee may or they may in writing direct.

For purposes of this Section 7, the Market Price shall have the meaning ascribed to such term in the TSX Venture Exchange Corporate Finance Manual (or, if the Shares are not then listed and posted for trading on the Exchange, such price as required by such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board of Directors). In the event that the Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion. Notwithstanding the foregoing sentence, in the event that there has been a publicly announced take- over bid, amalgamation or other transaction involving the Common Shares, while such transaction is still outstanding, the Market Price shall be the consideration offered pursuant to such transaction (in the event that the consideration is other than cash, the Board of Directors shall determine the cash equivalent for the purpose of this provision).

8. Alterations in Shares

In the event, at any time or from time to time, that the share capital of the Corporation shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Shares granted, or the Corporation shall pay a dividend upon the Shares by way of issuance to the holders thereof of additional Shares, Options with respect to any Shares which have not been purchased at the time of any such consolidation, subdivision or stock dividend shall be proportionately adjusted so that the Optionee shall from time to time, upon the exercise of an Option, be entitled to receive the number of Shares he would have held following such consolidation, subdivision or stock dividend if the Optionee had purchased the Shares and had held such Shares immediately prior to such consolidation, subdivision or stock dividend. Upon any such adjustments being made, the Optionee shall be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

9. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Corporation.

10. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of any stock exchange on which the Shares are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

11. Amendment or Discontinuance of the Plan

(a) Subject to the restrictions set out in this Section 11, the Board may, without shareholder approval:

(i) amend or discontinue the Plan or any Options granted hereunder at any time;

(ii) reduce the percentage number of Common Shares which may be issued under the Plan;

(iii) reduce the exercise price of any outstanding Options not held by Insiders;

(iv) alter the vesting provisions relating to the Options; and

(v) alter the surrender rights set out in the Plan,

provided any amendment to the Plan that requires approval of the Exchange may not be made without such approval.

(b) Without the prior approval of the shareholders, as may be required by the Exchange, the Board may NOT:

(i) make any amendment to the Plan to increase the percentage of Common Shares issuable on exercise of outstanding Options at any time pursuant to Section 3 hereof;

(ii) reduce the exercise price of any outstanding Options held by Insiders;

(iii) extend the term of any outstanding Option beyond the original expiry date of such Option, except in accordance with an extension to include a Blackout Period;

(iv) make any amendment to Section 3(g) or 3(h) to increase the maximum limit on the number of securities that may be reserved for issuance and are issued to Insiders to greater than the 10% thresholds within the designated time periods;

(v) make any amendment to the Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or

(vi) make any amendment to this Section 11.

In addition, no amendment to the Plan or Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan.

12. Shares Duly Issued

Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefor in accordance with the terms of the Option and the issuance of Shares thereunder will not require a resolution or approval of the Board of Directors of the Corporation.

13. Options to Other Persons and Entities

The provisions herein in respect of the grant of Options shall apply, with the appropriate modifications, to the grant of Options to any person or other entity to whom an Option could have been transferred as provided in the last paragraph of Section 6 hereof, in which case the Option shall nevertheless be deemed, for purposes of the Plan, to be held by the person that is the Service Provider to the Corporation in respect of such person or other entity to whom the Option is actually granted and the Options shall continue to be subject to the terms and conditions of the Plan as if the Service Provider remained the sole holder thereof.

14. Prior Plans

This Plan shall come into force and effect on ratification approval by shareholders of the Corporation and of the Exchange and entirely replaces and supersedes prior share option plans enacted by the Board of Directors of the Corporation, or its predecessor corporations.

15. Definitions

In this Plan, capitalized terms not otherwise defined in this Plan have the meanings set forth below. Notwithstanding the foregoing, where defined terms used herein are also defined in the policies of the Exchange and there are discrepancies between said defined terms, the defined term used in the policies of the Exchange shall prevail over the defined term used in this Plan during such period of time as the Corporation's Shares are listed on the Exchange.

(a) A Company is an "**Affiliate**" of another Company if:

(i) one of them is the subsidiary of the other; or

(ii) each of them is controlled by the same Company or individual.

(b) "**Blackout Period**" means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;

(c) "**Board**" means the board of directors of the Corporation;

(d) "**Company**", unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual.

(e) "**Consultant**" means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation, that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and

(iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

(f) "**Consultant Company**" means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.

(g) "**Directors**" means directors, senior officers and Management Company Employees of the Corporation, or directors, senior officers and Management Company Employees of the Corporation's subsidiaries to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws.

(h) "**Distribution**" has the meaning ascribed thereto in the *Securities Act* (Alberta).

(i) "**Employee**" means:

(i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Corporation or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Corporation or its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

(j) "**Exchange**" means the TSX Venture Exchange Inc. or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;

(k) "**Insider**", if used in relation to the Corporation, means:

(i) a director or senior officer of the Corporation;

(ii) a director or senior officer of a Company that is an Insider or subsidiary of the Corporation;

(iii) a Company or individual that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation; or

(iv) the Corporation itself if it holds any of its own securities.

(l) "**Investor Relations Activities**" means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

(i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:

(A) to promote the sale of products or services of the Corporation; or

(B) to raise public awareness of the Corporation,

that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

(ii) activities or communications necessary to comply with the requirements of:

(A) applicable securities laws; or

(B) Exchange Requirements (as defined in the policies of the Exchange) or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;

(iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

(A) the communication is only through the newspaper, magazine or publication; and

(B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

(iv) activities or communications that may be otherwise specified by the Exchange.

(m) "**Management Company Employee**" means an individual employed by a Company or individual providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Company or individual engaged in Investor Relations Activities.

(n) "**Outstanding Common Shares**" at the time of any share issuance or grant of stock Options means the aggregate number of Shares that are outstanding immediately prior to the share issuance or grant of stock Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including, if listed thereon, the Exchange.

(o) "**Service Provider**" means a Director, Employee or Consultant of the Corporation.

(p) "**subsidiary**" has the meaning ascribed thereto in the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted.

SCHEDULE B
AUDIT COMMITTEE MANDATE

I. PURPOSE OF THE AUDIT COMMITTEE

A. The purpose of the Audit Committee is to fulfill the applicable public company's audit committee's legal and regulatory obligations and to provide assistance to the Board to enable it to fulfill its oversight responsibilities in relation to the financial reporting process, the system of internal controls, the audit process and management of the Corporation's risks as they relate to financial reporting.

II. STRUCTURE OF THE COMMITTEE

A. Composition

The Audit Committee shall be a standing committee of the Board of Pond and shall be composed of no less than three directors, a majority of who shall be independent and all of whom shall be financially literate, as such terms are defined in applicable securities regulations. In addition, the Chair of the Board may be a non-voting, ex officio member of the Audit Committee.

B. Quorum

Quorum for any meeting of the Audit Committee shall be a majority of voting Members present in person, by teleconference or any combination thereof.

C. Appointment of Members

Members of the Audit Committee shall be appointed by the Board annually on the recommendation of the Governance Committee and shall hold office at the pleasure of the Board. Where practical, no more than two members of the Audit Committee will rotate in any given year.

D. Role and Responsibilities of Committee

The roles and responsibilities of the Audit Committee shall be clearly defined to ensure that Members of the Committee understand their duties and responsibilities.

E. Chair of the Audit Committee

At the first meeting of the Audit Committee following its formation each year, or at such other times as may be required, the Members of the Audit Committee shall appoint from amongst themselves a Chair of the Audit Committee. The Committee shall report such appointment back to the Board at its next meeting for its confirmation. The duties of the Chair are set out in Section IV hereof.

In the absence of the Chair at any Audit Committee meeting, those Members present shall appoint a voting Member of the Audit Committee to be the Chair for the purposes of the conduct of that meeting.

F. Qualification of Members

Members of the Audit Committee shall, during their tenure on such committee, meet applicable requirements and guidelines for audit committee service, including those relating to being independent and unrelated to the Corporation and financially literate. Determination as to whether a particular Director satisfies the requirements for membership on the Audit Committee shall be made by the full Board.

G. Vacancy

A vacancy occurring in the membership of the Audit Committee may be filled by the Board at its discretion, provided that the Board shall fill any vacancy to ensure that there is a minimum of three members on the Audit Committee at all times.

H. **Compensation for Committee Members**

No Audit Committee Member shall receive any non-expense compensation from the Corporation other than what that Member is entitled to as a member of the Board or as an Audit Committee Member.

I. **Number and Timing of Meetings**

The Audit Committee shall meet at least four times a year, which meetings shall be scheduled to permit timely review of quarterly and annual financial statements and related documents.

Additional meetings may be held at the discretion of the Chair of the Audit Committee or at the request of a Member of the Audit Committee, the external auditors or Senior Management.

J. **Secretary**

A secretary of the Audit Committee shall be designated by the Audit Committee, and that person shall act as recording secretary for the Audit Committee and produce minutes of all meetings of the Committee in a timely manner. The secretary may, but need not be, a member of the Audit Committee.

K. **Meetings with Senior Management and the External Auditors**

The Audit Committee shall meet separately with Senior Management and the external auditors at least once per financial quarter and shall meet at such other times as the Audit Committee deems appropriate.

L. **Notice and Place of Meetings**

Notice of any meeting of the Audit Committee may be given orally, by facsimile, electronically, including by email, or in writing to each Audit Committee Member at least 48 hours in advance of such meeting, provided that any Member may waive such notice. Attendance by a Member of the Audit Committee at any meeting shall be deemed a waiver of notice of such meeting unless his or her attendance is made for the purpose of objecting to the manner in which the meeting was called.

A Member of the Audit Committee who attends a meeting for the purpose of objecting to whether the meeting was lawfully called shall not be considered to have waived the required notice.

M. **Invitees**

By invitation of the Chair of the Audit Committee, individuals who are not members of the Audit Committee may attend meetings, or portions thereof, from time to time, and may participate in discussions related to issues before the Audit Committee. However, only voting Members of the Audit Committee are entitled to vote at any such meeting.

N. **Minutes and Procedures of Meetings**

Subject to statutory requirements and the By-laws of the Corporation, the Audit Committee may set its own procedures at meetings, keep records of its proceedings and report to the Board when the Audit Committee considers it appropriate, but in any event, not later than at the next following Board Meeting. Minutes of an Audit Committee meeting shall be tabled at the next Board Meeting following the approval of such minutes by the Committee.

O. **Delegation of Responsibilities**

The Audit Committee may delegate to any person or subcommittee of the Audit Committee any of the Audit Committee's responsibilities that may be lawfully delegated.

P. **External Auditors**

The external auditors of the Corporation are ultimately accountable to the Board and shall report directly to the Audit Committee, in each case as representatives of the shareholders.

Q. **Mandate**

The Audit Committee shall review and reassess the adequacy of the Audit Committee Mandate on an annual basis to ensure that it accurately specifies the scope of the Committee's responsibilities and adequately sets out how the Committee is to carry out these responsibilities.

III. DUTIES OF THE COMMITTEE

The duties of the Audit Committee include, inter alia,

A. Compliance

i. ensuring the Corporation's compliance with legal and regulatory requirements with respect to financial reporting and disclosure;

ii. ensuring that Senior Management has implemented appropriate systems to identify and monitor Senior Management's and the Board's response to such issues as:

a. business risks;

b. legal, ethical and regulatory compliance; and

c. internal systems of control and the effectiveness of such internal controls to ensure compliance with policies and procedures relating to both financial transactions and financial reporting;

B. **Meetings**

i. ensuring that accurate Minutes of all meetings of the Audit Committee are taken and approved at the next following meeting of the Committee and subsequently submitted to the Board at its next meeting for acceptance;

C. **Internal Controls**

i. maintaining the integrity and quality of the Corporation's financial reporting and systems of internal control by overseeing Senior Management's system of internal control and reporting process in respect of such controls;

D. **External Auditors**

i. reviewing and ensuring the qualifications and independence of the Corporation's external auditors;

ii. making recommendations to the Board in respect of the appointment or re-appointment of external auditors for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;

iii. overseeing and evaluating the performance of the external auditors;

iv. reviewing the annual audit plan prepared by the external auditors and Senior Management, as well as the proposed audit fees;

v. reviewing the external audit process and determining whether it has been effectively carried out and whether any matters that the external auditors wish to bring to the attention of the Board have been afforded adequate attention;

vi. making recommendations to the Board regarding remuneration for external auditors;

vii. pre-approving all auditing services and permitted non-audit services to be performed for the Corporation by the external auditors;

viii. meeting separately with the Corporation's internal auditor (if applicable), external auditors and Senior Management at least quarterly to assess issues and make determinations on whether issues need to be taken to the Board for review and assessment;

ix. evaluating the independence of the external auditors in accordance with applicable professional requirements, and determining whether disclosed relationships or services may impact the objectivity and independence of the external auditors and ensuring that such independence has been documented in written correspondence to the Audit Committee;

x. having responsibility for overseeing the work of the external auditors, including the resolution of disagreements regarding financial reporting between Senior Management and the external auditors; and

xi. evaluating the external audit process and determining whether the external audit has been completed in accordance with applicable law;

E. **Financial Reporting**

i. reviewing interim and annual financial statements of the Corporation;

ii. reviewing changes in significant accounting policies and evaluating the impact of such changes on the current and future financial statements of the Corporation;

iii. preparing, if required, an Audit Committee report for inclusion in the Corporation's annual Management Information Circular in accordance with applicable securities regulations;

iv. reviewing and monitoring the effectiveness of disclosure controls and procedures to ensure material information or material changes which require public disclosure is appropriately disclosed in a timely fashion;

v. being satisfied that adequate procedures are in place for the timely review of the Corporation's public disclosure of financial and other information extracted or derived from the Corporation's financial statements and periodically assessing the adequacy of those procedures;

vi. reviewing and recommending to the Board for its approval the public release and filing of annual audited consolidated financial statements and quarterly unaudited consolidated financial statements of the Corporation, including news releases and management's discussion and analysis (MD&A);

vii. reviewing the information contained in the Corporation's quarterly reports, annual report to the shareholders, MD&A, Annual Information Form, prospectuses and other public disclosure material to ensure that such information is complete and presented fairly;

viii. reviewing material litigation and tax assessments in order to determine whether any such matters may have a material impact on the financial position of the Corporation; and

ix. considering the Corporation's annual financial statements and ascertaining, after a review with external auditors and Senior Management, whether such statements present fairly and in all material respects, the financial position of ILA in accordance with generally accepted accounting principles, whether the selection of accounting policies is appropriate for the Corporation, and whether the financial statements should be recommended to the Board for its approval;

F. **Reviewing Terms of Reference and Committee's Performance**

i. routinely assessing its effectiveness against the Audit Committee Mandate and reporting the results of such assessment regularly to the Governance Committee and Board;

G. **Reviewing Reports to Shareholders**

i. as required by applicable regulations, including for inclusion in the Corporation's annual report to shareholders, or as more often as the Audit Committee deems appropriate, preparing reports to shareholders regarding the activities undertaken by it in the discharge of its responsibilities;

H. **General**

i. reviewing the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation;

ii. reviewing business practices undertaken by Senior Management to assess compliance with corporate policies and procedures;

iii. reviewing ILA's complaint procedures to ensure that they adequately track and record complaints to Senior Management regarding accounting, internal accounting controls or auditing matters;

iv. engaging independent counsel and other special advisors as the Audit Committee deems necessary or desirable from time to time in order to carry out its duties and responsibilities;

v. investigating any activity of the Corporation as it deems appropriate, and ensuring that all employees of the Corporation fully cooperate with the efforts or enquiries of the Audit Committee;

vi. communicating with the Board to ensure sufficient funding for the Audit Committee to permit it to fulfill its duties and responsibilities;

vii. making provision for confidential, anonymous submission by employees of the Corporation of concerns regarding accounting, internal accounting controls or auditing matters, ensuring that the existing processes adequately provide for such submission, and establishing a process whereby the external auditor will receive timely notice of any such submissions;

viii. reviewing, at least annually, the risk management programs and insurance policies of the Corporation to ensure their adequacy;

ix. reviewing any issues referred to the Audit Committee by the Board, Senior Management or the external auditors; and

x. reviewing, at least annually, the Audit Committee Mandate and making recommendations as to any changes to the Audit Committee and the Board as it deems appropriate.

The duties and responsibilities of the Audit Committee set forth herein have been set out as guidelines only, and do not necessarily represent all duties and responsibilities of the Audit Committee in all circumstances. The Audit Committee shall consider such other matters as may be referred to them or which they may become aware of, and take such actions as it determines necessary or advisable in the circumstances, which may include referring such matters to another Committee of the Board or the Board as a whole.

IV. DUTIES OF THE CHAIR OF THE COMMITTEE

In addition to the duties and responsibilities set out in the Board of Directors Mandate and any other applicable mandate or position description, the duties of the Chair of the Audit Committee shall include, inter alia,

A. Providing overall leadership to facilitate the effective functioning of the Audit Committee, including, without limitation:

i. overseeing the structure, composition, membership and activities delegated to the Audit Committee;

ii. chairing every meeting of the Audit Committee and encouraging free and open discussion at meetings of the Audit Committee;

iii. scheduling and setting the agenda for Audit Committee meetings with input from other Audit Committee members, the Chair of the Board of Directors and senior management as appropriate;

iv. facilitating the timely, accurate and proper flow of information to and from the Audit Committee;

v. arranging for management, internal and external auditors and others to attend and present at Audit Committee meetings as appropriate;

vi. arranging sufficient time during Audit Committee meetings to fully discuss agenda items;

vii. encouraging Audit Committee members to ask questions and express viewpoints during meetings; and

viii. taking all other reasonable steps to ensure that the responsibilities and duties of the Audit Committee, as outlined in its Mandate, are well understood by Audit Committee members and executed as effectively as possible.

B. Fostering ethical and responsible decision making by the Audit Committee and its individual members.

C. Encouraging the Audit Committee to meet in separate, regularly scheduled, non-management, closed sessions with the independent auditors.

D. Following each meeting of the Audit Committee, reporting to the Board of Directors on the activities, findings and any recommendations of the Audit Committee.

E. Carrying out such other duties as may reasonably be requested by the Board of Directors.