

LEVEL 14 VENTURES LTD.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 25, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

December 20, 2021

The ongoing impact of the novel coronavirus (“COVID-19”) pandemic and the uncertainty surrounding current and anticipated public health guidelines and restrictions respecting large group gatherings make it unclear as to whether it will be safe or permissible for the Meeting to be held in person this year. Therefore, to mitigate risks to the health and safety of the shareholders, employees and representatives of the Company and the communities in which we live, **we will hold the Meeting by teleconference only.**

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.

LEVEL 14 VENTURES LTD.
Suite 1400 - 400 Burrard Street
Vancouver, B.C. V6C 3A6

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “Meeting”) of the shareholders of Level 14 Ventures Ltd. (the “Company”) will be held via teleconference (dial-in details below) on Tuesday, the 25th day of January, 2022 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2020, together with the accompanying report of the auditors thereon;
2. to ratify the appointment of Davidson & Company LLP as the auditors of the Company for the financial year ending December 31, 2020 and to ratify the fixing by the board of directors of the Company of the remuneration to be paid to the auditors for the financial year ending December 31, 2020;
3. to appoint Davidson & Company LLP as the Company’s auditor for the financial year ending December 31, 2021 and to authorize the directors to fix the remuneration to be paid to the auditor;
4. to fix the number of directors for the ensuing year at three (3);
5. to elect the directors of the Company for the ensuing year;
6. to consider, and, if thought appropriate, to approve, an ordinary resolution to approve the Company’s stock option plan, as more particularly described in the management information circular accompanying this Notice of Meeting (“Circular”);
7. to consider and, if thought appropriate, to approve, with or without variation, a resolution to be approved by way of ordinary resolution and a majority of the disinterested shareholders of the Company, approving, among other items, the acquisition of the outstanding securities of Bridle Capital Ltd. (the “Target”) from the Target’s shareholders, as described in more detail under the heading “Particulars of Other Matters to be Acted Upon – Approval of the Colpayoc Acquisition” in the Circular;
8. to consider and, if thought appropriate, to approve, with or without variation, an ordinary resolution approving the consolidation of the issued and outstanding common shares in the capital of the Company (each, a “Share”) on the basis of one (1) post-consolidation Share for every one and one half (1.5) pre-consolidation Shares, as described in more detail under the heading “Particulars of Other Matters to be Acted Upon – Approval of the Share Consolidation” in the Circular; and
9. to transact such further or other business as may properly come before the Meeting and any adjournment thereof.

Accompanying this Notice of Meeting is the Circular, a form of proxy (the “Proxy”) and a form whereby shareholders can request to be added to the Company’s supplemental mailing list. The Circular includes more detailed information relating to the matters to be addressed at the Meeting. The Circular is supplemental to, and expressly made a part of, this Notice of Meeting.

The ongoing impact of the novel coronavirus (“COVID-19”) pandemic and the uncertainty surrounding current and anticipated public health guidelines and restrictions respecting large group gatherings make it unclear as to whether it will be safe or permissible for the Meeting to be held in person this year. Therefore, to mitigate risks to the health and safety of the shareholders, employees and representatives of the Company and the communities in which we live, we will hold the Meeting in a virtual only format. This format also affords all of our shareholders an even greater ability to participate in the Meeting equally, regardless of their geographic location and share ownership.

Although, as required pursuant to the *Business Corporations Act* (British Columbia), the physical location of the Meeting has been designated as the Company's head office located at Suite 1400, 400 Burrard Street, Vancouver, BC V6C 3A6, the Meeting will be by teleconference due to public health guidelines and restrictions related to COVID-19. In particular, on April 21, 2020, the Minister of Public Safety and Solicitor General for the Province of British Columbia passed Ministerial Order M116 (the "Order") under the *Emergency Program Act*. The Order permits British Columbia organizations to facilitate and hold electronic meetings for as long as public health orders enacted in response to the COVID-19 pandemic are in place. The Order specifically overrides the provisions of the *Business Corporations Act* (British Columbia) and any articles, bylaws, memoranda, rules or similar constating documents of an entity made thereunder, by deeming that attendance via telephone or electronic communication constitutes in-person presence at such meetings, and that any virtual meetings so held shall be deemed to have been held in British Columbia. Accordingly, you will not be able to attend the Meeting in person. If circumstances permit, the Company intends to return to a physical or hybrid meeting format (physical/virtual) for its 2022 annual meeting of shareholders.

The Company urges all shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below and to listen to the Meeting through the live conference call details provided below:

Toll-free dial-in number (U.S. and Canada):	(866) 214-9607
International dial-in number:	(647) 427-7523
Conference code:	439.159.9895

The board of directors of the Company has fixed December 20, 2021 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Circular.

Shareholders should read the notes to the Proxy and complete and return the Proxy to the Company's registrar and transfer agent, TSX Trust Company. A proxy will not be valid unless it is deposited at the office of TSX Trust Company, at 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Meeting, or any adjournment or postponement thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received after that time.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

The enclosed Proxy appoints nominees of management as proxyholder and you may amend the Proxy, if you wish, by inserting, in the space provided, the name of the person you wish to represent you as proxyholder at the Meeting.

DATED at Vancouver, British Columbia, this 20th day of December, 2021.

BY ORDER OF THE BOARD OF DIRECTORS OF

LEVEL 14 VENTURES LTD.

"Marcel de Groot"

Marcel de Groot

President, CEO and Director

LEVEL 14 VENTURES LTD.
Suite 1400 - 400 Burrard Street
Vancouver, B.C. V6C 3A6

MANAGEMENT INFORMATION CIRCULAR

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GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Circular. This is not an exhaustive list of defined terms used in this Circular and additional terms are defined throughout. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

“\$”	means Canadian dollars.
“Acquisition Resolution”	means the resolution to be passed by way of ordinary resolution of the Shareholders and a majority of the disinterested Shareholders to approve the acquisition of the outstanding Target Shares from related parties of the Company, on terms more particularly described in this Circular.
“ASC”	means the Alberta Securities Commission.
“Audit Committee”	means the audit committee of the Company.
“Author”	means Steven L. Park, C.P.G., who prepared the Technical Report.
“BCBCA”	means the <i>Business Corporations Act</i> (British Columbia).
“BCSC”	means the British Columbia Securities Commission.
“Board”	means the board of directors of the Company.
“Business Day”	means a day other than Saturday, Sunday or a statutory holiday in British Columbia.
“Cash Payment”	means approximately US\$625,000 cash payment for reimbursement of Target expenses related to the Colpayoc Property, which forms part of the consideration for the Target Shares.
“CEO”	means chief executive officer.
“CFO”	means chief financial officer.
“Circular”	means this management information circular to be sent to the Shareholders in connection with the Meeting.
“Closing”	means the closing of the Transaction.
“Closing Date”	means the date on which the Closing occurs.
“Colpayoc Acquisition”	means the Share Exchange and all transactions contemplated in the Share Exchange Agreement and related agreements.
“Colpayoc Property”	means the Colpayoc Gold Property consisting of three (3) mineral claims covering 1,581 hectares located approximately 10 kilometers west of the town of Cajamarca and about 650 kilometers north-northwest of the capital city of Lima, in northern Peru.
“Consolidation”	means the consolidation of Shares on the basis of one post-Consolidation Share for each 1.5 issued and outstanding pre-Consolidation Share, to be effected following the Share Exchange and prior to the Financing, subject to final approval of the Board which has sole discretion, to determine whether or not, and when, to implement the

Consolidation.

“Consolidation Resolution”	means the resolution to be passed by way of ordinary resolution to approve the Consolidation.
“Company” or “Level 14”	means Level 14 Ventures Ltd.
“company”	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
“compensation securities”	includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.
“Control Person”	means: (a) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or (b) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;
“Exchange”	means the Canadian Securities Exchange.
“Exchange Shares”	means the 36,000,000 Shares to be issued to the Target Shareholders as partial consideration for the acquisition of the Target Shares by the Company pursuant to the Share Exchange Agreement.
“Excluded Persons”	means the directors, officers, Insiders and Control Persons of the Company that hold Target Shares and includes David De Witt and Pathway Capital Ltd.
“external management company”	includes a subsidiary, affiliate or associate of the external management company.
“Financing”	means the non-brokered private placement financing of the Company of 10,000,000 Shares, at a price of \$0.30 per Shares (on a post-Consolidation basis), for aggregate gross proceeds to the Company of up to \$3,000,000.
“Insider”	means: (a) a director or an officer of an issuer, (b) a director or an officer of a person that is itself an insider or a subsidiary of an issuer, (c) a person that has

- (i) beneficial ownership of, or control or direction over, directly or indirectly, or
- (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution,

- (d) an issuer that has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security,
- (e) a person designated as an insider in an order made under securities laws, or
- (f) a person that is in a prescribed class of persons;

“MD&A” means Management’s Discussion and Analysis.

“MI 61-101” means Multilateral Instrument 61-101 *“Protection of Minority Security Holders in Special Transactions”*.

“Meeting” means the annual general and special meeting of the Shareholders to be held on January 25, 2022 and any adjournment or postponement thereof.

“Named Executive Officers” or “NEO” means:

- (a) the CEO;
- (b) the CFO;
- (c) each of the Company’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000 per year; or
- (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

“NEX” means the NEX board of the TSXV.

“NI 43-101” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

“Options” means the stock options of the Company.

“Option Holder” means a holder of Options.

“person” includes an individual, corporation, partnership, party, trust, fund, association and any other organized group of persons and the personal or other legal representative of a person to whom the context can apply according to law.

“Peru Subsidiary” means Mineros Invirtiendo en Peru S.A.C., a company incorporated under the laws of Peru, which is a wholly-owned subsidiary of the Target and holds the option rights to the Colpayoc Property.

“plan” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons.

“Qualified Person”	means a Qualified Person as defined in NI 43-101.
“Record Date”	means December 20, 2021, being the date for determining Shareholders entitled to receive notice of and vote at the Meeting.
“Registrar”	means the Registrar of Companies of British Columbia.
“Registered Shareholder”	means a shareholder of record of Shares.
“Royalty”	means a one percent (1%) net smelter return royalty, which form part of the consideration for the Target Shares.
“Shareholders”	means the shareholders of the Company.
“Shares”	means common shares in the capital of the Company.
“SEDAR”	means the System for Electronic Document Analysis and Retrieval at www.sedar.com .
“Share Exchange”	means the proposed exchange of shares between the Target Shareholders and the Company, whereby the Company will acquire all of the issued and outstanding Target Shares in consideration for the issuance of the Exchange Shares, Cash Payment and Royalty, in accordance with the terms of the Share Exchange Agreement.
“Share Exchange Agreement”	means the Share Exchange Agreement dated effective November 17, 2021 among the Company, the Target and the Target Shareholders relating to the Colpayoc Acquisition, which has been filed on SEDAR on November 29, 2021 under the profile of the Company.
“Stock Option Plan”	means the incentive stock option plan of the Company.
“Target”	means Bridle Capital Ltd., a British Columbia company.
“Target Board”	means the board of directors of the Target.
“Target Shares”	means common shares in the capital of the Target.
“Target Shareholders”	means the shareholders of the Target.
“Technical Report”	means the technical report entitled “Technical Report on the Colpayoc Gold Property”, dated December 20, 2021, prepared by the Author, which Technical Report has been filed on SEDAR on December 20, 2021 under the profile of the Company.
“Transfer Agent”	means the Company’s transfer agent and registrar, TSX Trust Company.
“TSX”	means the Toronto Stock Exchange.
“TSXV”	means the TSX Venture Exchange.
“underlying securities”	means any securities issuable on conversion, exchange or exercise of compensation securities.
“US\$”	means United States dollars.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Circular are forward-looking statements or information. The Company and the Target are hereby providing cautionary statements identifying important factors that could cause the Company's or the Target's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projects", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company or the Target.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company or the Target that could influence actual results include those described under "Approval of Colpayoc Acquisition – Risk Factors" and other factors beyond the control of the Company or the Target.

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this Circular, and, except as required by applicable law, neither the Company nor the Target undertakes any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the Target, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

INFORMATION CONCERNING THE TARGET

The information contained or referred to in this Circular relating to the Target and its Peru Subsidiary has been furnished by the Target. In preparing this Circular, the Company has relied upon the Target to ensure that the Circular contains full, true and plain disclosure of all material facts relating to the Target and its Peru Subsidiary. Although the Company has no knowledge that would indicate that any statements contained herein concerning the Target and its Peru Subsidiary are untrue or incomplete, neither the Company nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by the Target to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

DATE OF INFORMATION

Except as otherwise indicated in this Circular, all information disclosed in this Circular is as of December 20, 2021 and the phrase "as of the date hereof" and equivalent phrases refer to December 20, 2021.

CURRENCY

In this Circular, references to "\$" or "dollars" are to the lawful currency of Canada, unless otherwise stated. Certain currency amounts shown in this Circular, where indicated by "US\$", are in the lawful currency of the United States. The Bank of Canada daily average exchange rate on December 17, 2021, being the last business day preceding this Circular, was 1.2846.

SUMMARY OF INFORMATION CIRCULAR

The following is a summary of information relating to the Company and the Target and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular.

The Meeting

Time, Date and Place of Meeting

The Meeting will be held at the offices of the Company, Suite 1400 - 400 Burrard Street, Vancouver, B.C., V6C 3A6, on the 25th day of January, 2022 at 10:00 a.m. (Vancouver time).

The Record Date

The Record Date for determining the Shareholders eligible to vote at the Meeting is December 20, 2021.

Purpose of the Meeting

This Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting. In addition to considering the annual business of the Company, at the Meeting, Shareholders will be asked to consider and to pass: (i) the Acquisition Resolution providing for the acquisition of the Target Shares by the Company in exchange for the Exchange Shares, the Cash Payment and the Royalty in accordance with the terms of the Share Exchange Agreement; and (ii) the resolutions approving the Consolidation.

The Company

The Company is an exploration-stage mining company with a focus on precious metals incorporated under the BCBCA listed on the Exchange. The Company owns the Green Mountain Property through its wholly owned subsidiary. The Green Mountain Property, located in British Columbia, Canada, consists of 3 contiguous digitally registered mineral tenures totaling approximately 5,593.5 hectares. The Company intends to grow through the acquisition of other mineral properties and continues to evaluate other opportunities on an ongoing basis.

The Target

The Target is a private company that was incorporated under the BCBCA on November 26, 2018. The Target holds all of the issued and outstanding shares of the Peru Subsidiary, a Peru company, which holds an option to acquire a 100% interest in the Colpayoc Property. A more detailed description of the Target is provided under the heading "Approval of Colpayoc Acquisition".

Summary of Colpayoc Acquisition

The Share Exchange Agreement

The Company has entered into the Share Exchange Agreement, whereby the Company will acquire all of the issued and outstanding Target Shares from the Target Shareholders in consideration for: (i) the issuance of an aggregate of 36,000,000 Exchange Shares at the deemed price of \$0.16 per Exchange Share; (ii) a Cash Payment; and (iii) the grant of the Royalty on the Colpayoc Property. Other than the Target Shares, the Target does not have any equity securities, securities convertible into equity securities, or any rights to receive equity securities issued and outstanding.

The Consolidation

Immediately following the closing of the Colpayoc Acquisition and subject to final approval of the Board which has sole discretion, to determine whether or not, and when, to implement the Consolidation, the Company shall

complete the Consolidation whereby it will consolidate the issued and outstanding Shares on the basis of 1.5 pre-Consolidation Shares for each one (1) post-Consolidation Share.

The Financing

Immediately following the Colpayoc Acquisition, the Company plans to complete the Financing for gross proceeds of \$3,000,000 by way of the sale of Shares.

Approval of Directors

The Board has reviewed and approved the terms and conditions of the Share Exchange and has concluded that they are fair and reasonable and are in the best interests of the Company. None of the directors of the Company are Target Shareholders.

Related Party Transaction

The Share Exchange constitutes a “Related Party Transaction” within the meaning of MI 61-101 because David De Witt, an Insider of the Company by way of owning more than 10% of the issued and outstanding Shares, is a controlling shareholder and sole director of the Target and holds the following interest in Target Shares and Company Shares:

Name	Target Shares	Company Shares
David De Witt	600 or 83.33%	4,000,000 or 10.24%
Pathway Capital Ltd. ⁽¹⁾	N/A	200,000 or 0.51%

(1) Mr. De Witt is a joint owner of Pathway Capital Ltd.

MI 61-101 requires that the Company obtain minority approval for the Share Exchange. In accordance with MI 61-101, in determining what constitutes minority approval for a Related Party Transaction, the Company must exclude the votes attached to affected securities that to the knowledge of the Company or its directors and officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by: (a) the Company, (b) an Interested Party (as such term is defined in MI 61-101), (c) a Related Party (as such term is defined in MI 61-101) of an Interested Party, or (d) a joint actor with a person referred to in (b) or (c) above.

As a result of the foregoing, the Company has determined that an aggregate of 4,200,000 Shares owned or over which control or direction is exercised by the Excluded Persons, being 10.75% of the issued and outstanding Shares, will be excluded from voting on the Acquisition Resolution.

Pursuant to MI 61-101, if a transaction is a Related Party Transaction, a formal valuation and minority approval of the transaction may be required. As the Company is listed on the Exchange and no other stock exchange outside of Canada and the United States, MI 61-101 provides an exemption to the general requirement to obtain a formal valuation.

Interests of Experts

To the best of the Company’s knowledge, no direct or indirect interest in the Company is held or will be received by any expert.

GENERAL PROXY INFORMATION

The ongoing impact of the novel coronavirus (“COVID-19”) pandemic and the uncertainty surrounding current and anticipated public health guidelines and restrictions respecting large group gatherings make it unclear as to whether it will be safe or permissible for the Meeting to be held in person this year. Therefore, to mitigate risks to the health and safety of the shareholders, employees and representatives of the Company and the communities in which we live, we will hold the Meeting in a virtual only format. This format also affords all of our shareholders an even greater ability to participate in the Meeting equally, regardless of their geographic location and share ownership.

Although, as required pursuant to the *Business Corporations Act* (British Columbia), the physical location of the Meeting has been designated as the Company's head office located at Suite 1400, 400 Burrard Street, Vancouver, BC V6C 3A6, the Meeting will be by teleconference due to public health guidelines and restrictions related to COVID-19. In particular, on April 21, 2020, the Minister of Public Safety and Solicitor General for the Province of British Columbia passed Ministerial Order M116 (the "Order") under the *Emergency Program Act*. The Order permits British Columbia organizations to facilitate and hold electronic meetings for as long as public health orders enacted in response to the COVID-19 pandemic are in place. The Order specifically overrides the provisions of the *Business Corporations Act* (British Columbia) and any articles, bylaws, memoranda, rules or similar constating documents of an entity made thereunder, by deeming that attendance via telephone or electronic communication constitutes in-person presence at such meetings, and that any virtual meetings so held shall be deemed to have been held in British Columbia. Accordingly, you will not be able to attend the Meeting in person. If circumstances permit, the Company intends to return to a physical or hybrid meeting format (physical/virtual) for its 2022 annual meeting of shareholders.

The Company urges all shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below and to listen to the Meeting through the live conference call details provided below:

Toll-free dial-in number (U.S. and Canada):	(866) 214-9607
International dial-in number:	(647) 427-7523
Conference code:	439.159.9895

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Company for use at the Meeting to be held on January 25, 2022 and at any adjournments thereof. The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this Circular and related proxy materials to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of the Company (the "Management Proxyholders").

A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.

Voting by Proxy

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the Shareholder on any ballot that may be conducted.

If no choice is specified and one of the Management Proxyholders is appointed by a Shareholder as proxyholder, such person will vote in favor of the matters proposed at the Meeting and for all other matters proposed by management at the Meeting.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Meeting. At the date of this Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

Completion and Return of Proxy

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by a Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer, or attorney-in-fact, for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, should accompany the form of proxy.

Completed forms of proxy must be deposited at the office of Level 14's registrar and transfer agent, TSX Trust Company, at 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at least 48 hours (excluding Saturdays, Sundays and holidays), or any postponement or adjournment thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently to such time.

Non-Registered Shareholders

Only shareholders whose names appear on the records of the Company as the registered holders of Shares or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders because the Shares they own are not registered in their names but are instead registered in the name of a nominee. If you hold your Shares through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your Shares on your behalf (each, an "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

In accordance with Canadian securities legislation, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Circular and the form of proxy, to the Intermediaries for distribution to non-registered holders.

Intermediaries are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Intermediaries can only be voted in accordance with the instructions of the non-registered holder. The Intermediaries often have their own form of proxy, mailing procedures and provide their own return instructions. If you are a non-registered holder, and wish to vote by proxy, you should carefully follow the instructions from the Intermediary so that your Shares can be voted at the Meeting.

If you, as a non-registered holder, wish to vote in person at the Meeting, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Intermediary and return the form to the Intermediary in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation permits the Company to forward Meeting materials directly to “non objecting beneficial owners”. If the Company or its agent has sent these materials directly to you (instead of through your Intermediary), your name, address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (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.

The Company will not be mailing the Meeting materials to those non-registered Shareholders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner (the “OBOs”). The Company does not intend to pay for Intermediaries to forward copies of the proxy related Meeting materials and related forms to OBOs and an OBO will not receive the proxy related Meeting materials unless the OBO’s Intermediary assumes the cost of delivery. Intermediaries deliver these materials to all OBOs of the Company who have not waived their rights to receive these materials, and seek instructions as to how to vote the Shares. Often, Intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting materials to OBOs.

OBOs who receive Meeting materials will typically be given the ability to provide voting instructions in one of two ways:

Usually, an OBO will be given a voting instruction form (“VIF”) which must be completed and signed by the OBO in accordance with the instructions provided by the Intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the Intermediary must be followed.

Occasionally, an OBO may be given a proxy that has already been signed by the Intermediary. This form of proxy is restricted to the number of Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to the Transfer Agent in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Shares that they own but that are not registered in their name. Should an OBO who receives either a form of proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO’s (or such other person’s) name in the blank space provided or, in the case of a VIF, follow the instructions provided by the Intermediary. In either case, OBOs who received Meeting materials from their Intermediary should carefully follow the instructions provided by the Intermediary.

To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the Intermediary.

Proxies returned by Intermediaries as “non votes” because the Intermediary has not received instructions from the OBO with respect to the voting of certain Shares or, under applicable stock exchange or other rules, the Intermediary does not have the discretion to vote those Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such “non votes” will, however, be counted in determining whether there is a quorum.

Revocability of Proxy

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the Registered Shareholder or by attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof. Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of

a proxy does not affect any matter on which a vote has been taken prior to any such revocation. **Only Registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.**

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

Except as otherwise disclosed in this Circular, to the knowledge of the Company, no director or executive officer of the Company since the commencement of the Company's last completed fiscal year, nor any proposed nominee of management of the Company for election as a director of the Company at the Meeting, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the Stock Option Plan, pursuant to which they may be granted Options. See "*Statement of Executive Compensation - Stock Options and Other Compensation Securities*" for more information.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Shares without par value. As at December 20, 2021, the Record Date for the Meeting, 39,080,501 Shares were issued and outstanding. Shareholders at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting. Shareholders are entitled to one vote for each Share held.

Only registered Shareholders as of the Record Date are entitled to receive notice of and to vote (via teleconference) at the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights attached to all of the issued and outstanding Shares, except the following:

Name of Shareholder	Position with the Company	Number Shares Owned	Percentage of Outstanding Shares ⁽¹⁾
Marcel de Groot	CEO and Director	7,306,901	18.7%
Hayley Thomasen	Director	5,591,000	14.3%
Marianne De Witt	None	6,977,300	17.9%
January Vandale	None	5,306,900	13.6%
David De Witt	None	4,000,000	10.2%
Pathway Capital Ltd. ⁽²⁾	None	200,000	0.5%

(1) Based on 39,080,501 Shares issued and outstanding as of the Record Date.

(2) Pathway Capital Ltd. is a company owned by Messrs. De Witt and de Groot.

Quorum for Meeting

Pursuant to the Articles of the Company, a quorum for the transaction of business at the Meeting shall be one (1) person present or represented by proxy.

Approval Requirements

Pursuant to MI 61-101, the Acquisition Resolution must be passed by at least a majority of the votes cast by the minority Shareholders (being all Shareholders other than the Excluded Persons) present in person or represented by

proxy at the Meeting. The Company has determined that an aggregate of 4,200,000 Shares beneficially owned or over which control or direction is exercised by the Excluded Persons will be excluded from voting on the Acquisition Resolution. See “Particulars of Matters to be Acted Upon – Related Party Transaction and Minority Approval”.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

The audited financial statements of the Company for the fiscal year ended December 31, 2020, together with the auditor’s report thereon, will be presented to the Shareholders at the Meeting. The Company’s financial statements and management discussion and analysis are available on SEDAR at www.sedar.com.

Appointment of Auditor

The Management Proxyholders, if named as proxy, intend to vote the Shares represented by any such proxy in favor of a resolution to ratify the appointment and reappoint the auditors of the Company, unless directed by a Shareholder that such holder’s Shares are to be withheld from voting in the appointment of auditors, such resolution to be substantially in the form set forth below:

“RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (1) the appointment of Davidson & Company LLP as the auditors of the Company for the fiscal year ended December 31, 2020 at a remuneration that was fixed by the Board be ratified, approved and confirmed; and
- (2) the reappointment of Davidson & Company LLP as auditors of the Company to hold office until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration be authorized and approved.”

The resolution must be approved by a simple majority approval of the votes cast at the Meeting by the Shareholders. If elected, Davidson & Company LLP will hold office as auditor of the Company until the next annual meeting of Shareholders or until their successor is duly elected or appointed pursuant to the Articles of the Company, unless their position is earlier vacated in accordance with the provisions of the BCBCA or the Company’s Articles. Davidson & Company LLP have been the auditors of the Company since January 22, 2021.

Recommendation of the Directors

The Board unanimously recommends that the Shareholders vote in favor of the ratification of the appointment Davidson & Company LLP as auditors for the Company for the fiscal year ended December 31, 2020 at a remuneration that was fixed by the Board and for the reappointment of Davidson & Company LLP as auditors for the Company to hold office until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

Election of Directors

The Board presently consists of three (3) directors. Approval will be sought at the Meeting to fix the number of directors of the Company at three (3). The term of office of each of the current directors expires at the Meeting and each of the current directors will stand for re-election at the Meeting. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the BCBCA. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Name, Province, Country of Residence, and Position(s) with the Company	Principal Occupation, Business, or Employment for Last Five Years	Date First Appointed as a Director	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
Marcel de Groot ⁽²⁾ British Columbia, Canada <i>President, CEO and Director</i>	Founder and President of Pathway Capital Ltd.; director of Elevation Gold Mining Corporation; director of Galiano Gold Inc; formerly director of Equinox Gold and Solaris Copper	November 7, 2018	7,306,901 (18.7%)
Hayley Thomasen ⁽²⁾ London, United Kingdom <i>Independent Director</i>	Founder of a metals and mining-focused venture capital and consultancy firm based in London; Investment Analyst at Orion Resource Partners (UK) LLP	September 1, 2020	5,591,000 (14.30%)
Christopher Cooper ⁽²⁾ British Columbia, Canada <i>Independent Director</i>	Counterpath Corporation, Director; Canadian Towers & Fiber Optics Inc., CEO	September 1, 2020	107,000 (0.27%)

⁽¹⁾ The information as to the number of Shares (being the only voting securities of the Company) beneficially owned, or controlled or directed, directly or indirectly, is as of the Record Date, and has been furnished to the Company by the respective nominees individually.

⁽²⁾ Member of the Audit Committee of the Company.

Biographies

Marcel de Groot, Age 48 – President, CEO and Director

Marcel de Groot co-founded Pathway Capital Ltd., a Vancouver-based venture capital company, in September 2004. Mr. de Groot has extensive public company experience. He currently serves as a director of Elevation Gold Mining Corporation and is a director of Galiano Gold Inc. and Drummond Ventures Corp. He has also served as a director of various other successful public companies including Equinox Gold, Solaris Copper, Esperanza Resources and Underworld Resources. Mr. de Groot holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Professional Accountant with the Chartered Professional Accountants of British Columbia.

Hayley Thomasen, Age 36 – Director

Hayley Thomasen is the founder of Pathway Ventures UK Ltd., a metals and mining-focused venture capital and consultancy firm based in London. Previously, she was an Investment Analyst at Orion Resource Partners (UK) LLP and has held various positions as an exploration geologist in Canada. Ms. Thomasen holds a graduate degree in Economic Geology from the University of Arizona, where she received the Newmont Scholar and SEG Foundation Graduate Student Fellowship, a BSC in EOSC (Geology) from the University of British Columbia, and a BA from McGill University. She also holds the Investment Management Certificate (IMC), awarded by the CFA Society of the UK. Ms. Thomasen is currently a director of Sun Peak Metals Corp.

Christopher Cooper, Age 51 – Director

Mr. Cooper has over 20 years of business experience in various aspects of corporate development, senior management, finance and operations, in both the private and public sectors. Mr. Cooper received a B.A. from Hofstra University and an M.B.A. from Dowling College, both in New York State. Mr. Cooper has over 17 years of experience in management and finance in the oil and gas industry and other business sectors and has experience raising funds through brokered and non-brokered equity issues, as well as debt financings for various companies in which he has been involved. His experience includes implementing growth strategies, financial reporting, quarterly and annual budgets and overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Cooper has been a director of several private and public companies over the last 20 years.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders

Other than as set forth below, to the knowledge of the Company, no proposed director of the Company is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer of any company (including the Company or personal holding companies of any proposed director) 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, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, 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.

From February of 2004 until March of 2012, Mr. Cooper served as a director of Copacabana Capital Limited, a company traded on the TSXV, a financial services company incorporated under the laws of and managed in Bermuda. The BCSC issued an order on May 9, 2006 and the ASC issued an order on September 13, 2006 that Copacabana Capital Limited be cease traded due to failure to file certain financial information. Copacabana Capital Limited remains under the cease trade orders as at the date of this Circular.

Mr. Cooper is also the President and CEO of Reparo Energy Partners Corp., formerly Northern Sun Exploration Company Inc., a company traded on the TSXV. On December 23, 2008, trading in the common shares of this company was halted for failure to maintain a transfer agent, but trading of common shares on the TSXV resumed on December 23, 2008. The BCSC issued an order on March 11, 2009 and the ASC issued an order on March 6, 2009, that Reparo Energy Partners Corp. be cease traded due to failure to file certain financial information and it remains under the cease trade orders as at the date of this Circular. In August 2008, Reparo Energy Partners Corp. filed for protection under the *Bankruptcy and Insolvency Act* (British Columbia) and as at August 2009, the restructuring proposal had been fully performed.

Mr. Cooper was the President and CEO of Aroway Energy Inc., a company traded on the TSXV. A management cease trade order was issued by the BCSC on October 29, 2015 against Cooper and Aroway Energy Inc. for failing to file the Company's annual audited financial statements and related management's discussion and analysis. A second cease trade order was issued by the BCSC on January 4, 2016 against Aroway Energy Inc. for failing to file its annual audited financial statements, interim financial report and related management's discussion and analysis. Both cease trade orders remain in effect as at the date of this Circular.

Mr. Cooper was a director of StartMonday Technology Corp., a company traded on the CSE. A cease trade order was issued by the BCSC on May 1, 2019 against StartMonday Technology Corp., Mr. Cooper and another insider of StartMonday Technology Corp. for failing to file the Company's annual audited financial statements, interim financial report and related management's discussion and analysis. StartMonday Technology Corp. was subsequently delisted while the management cease trade order remains in effect.

Penalties or Sanctions

To the knowledge of the Company, no proposed director or personal holding companies of any proposed director of the Company:

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

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

Personal Bankruptcies

Except as set out in this Circular, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Circular, or within ten years prior to the date of this Circular has been, a director or executive officer of any company (including the Company or personal holding companies of any proposed director) 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 ten years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf.

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and the Company's Articles:

- a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer of the Company, must promptly disclose the nature and extent of that conflict; and
- a director who holds a disclosable interest (as such term is defined under the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve such contract or transaction.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

Recommendation of the Directors

The Board unanimously recommends that the Shareholders vote in favor of fixing the number of directors for the ensuing year at three (3) and electing the foregoing directors of the Company for the ensuing year.

Approval of Stock Option Plan

A Stock Option Plan was approved by the Company's Board effective as of December 14, 2018. The principal purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors,

employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity to be issued with and acquire Shares of the Company, thereby increasing their proprietary interest in the Company, and encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. At the Meeting, Shareholders will be asked to confirm and approve the Stock Option Plan. A copy of the Stock Option Plan is attached as Schedule “B” to this Circular.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan attached as Schedule “B” to this Circular:

The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of Shares issued and outstanding from time to time.

The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all Options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate.

The number of Shares which may be issuable under the Stock Option Plan: (a) shall not exceed 10% of the total number of the issued and outstanding Shares; (b) to any one participant within a 12-month period shall not exceed 5% of the total number of the issued and outstanding Shares; and (c) within a one-year period (i) to any one person, shall be no more than 5% of the total number of issued and outstanding Shares, with the exception of a consultant who may not receive grants of more than 2% of the total number of issued and outstanding Shares; (ii) to Insiders as a group, shall be no more than 10% of the total number of issued and outstanding Shares; and (iii) to persons employed to conduct investor relations activities, shall be no more than an aggregate of 2% of the total number of issued and outstanding Shares at any one time.

The exercise prices of Options will be determined by the Board, but will, in no event, be less than the closing market price of the Shares on the trading day prior to the date of grant of the Options less the maximum discount permitted under the Exchange policies. All Options granted under the Stock Option Plan will expire no later than the date that is five years from the date that such Options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

Subject to certain limitations, in the event that an Option Holder’s position as a director, officer, employee or consultant is terminated for any reason other than long term disability, death or for cause, the Options held by such Option Holder may be exercised within 90 days of termination (or 30 days if the Option Holder was engaged in investor relations activities), provided such Options have vested and not expired. Subject to certain limitations, in the event that an Option Holder’s position as a director, officer, employee or consultant is terminated as a result of his or her death or long term disability, any Options held by such Option Holder that could have been exercised immediately prior to such termination of service shall be exercisable for a period of one year following the termination of service of such Option Holder.

Subject to certain limitations, in the event that an Option Holder’s employment is terminated for cause, the Options held by such Option Holder shall expire and terminate on the date of such termination for cause.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the “Option Plan Resolution”), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Option Plan Resolution:

“RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Company’s Stock Option Plan (the “Option Plan”), described in the Company’s Information Circular dated December 20, 2021 and filed on SEDAR be and is hereby ratified, confirmed and approved; and

2. Any director or officer of the Company is hereby authorized and directed to execute or cause to be executed, under corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such documents, and do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.”

It is the intention of the persons named in the enclosed instrument of proxy, if not expressly directed otherwise in such instrument of proxy, to vote such proxies FOR the ordinary resolution to approve the Option Plan Resolution. An ordinary resolution is a resolution passed by the Shareholders at a general meeting by a simple majority of the votes cast in person or by proxy.

Recommendation of the Directors

The Board unanimously recommends that the Shareholders vote in favor of the Option Plan Resolution.

Approval of Colpayoc Acquisition

Target Structure and History

The Target was incorporated on November 26, 2018 pursuant to the provisions of the BCBCA. The Peru Subsidiary is the Target’s only subsidiary and is wholly owned by the Target.

The Target is engaged in the business of mineral exploration. It acquires, explores, stakes and develops mineral resource properties. Its objective is to locate and develop economic precious and base metals properties of merit.

On April 29, 2021, the Target entered into a binding letter agreement with the owners (the “Optionors”) of the “Francisco Jose IV” and “Francisco Jose V” mineral concessions (the “Francisco Concessions”), which form part of the Colpayoc Property and consist of approximately 680.9 hectares of mineral concessions located in Cajamarca, Peru. Payments by the Target to the owners of the Francisco Concessions under the binding letter agreement included US\$50,000 payable on signing of the Letter Agreement (“LA”), US\$250,000 on completion of satisfactory due diligence, and US\$200,000 upon registering, in Peru, a copy of the definitive earn-in and shareholders agreement (the “Jose Agreement”), all of which amounts were paid.

On July 1, 2021, the binding letter agreement was superseded by the Jose Agreement, whereby the Target, through the Peru Subsidiary, can acquire up to 100% of the shares of Colpayoc S.A.C., which owns the “Francisco Jose IV” and “Francisco Jose V”, in two stages - the first stage, if earned, will entitle the Target to 75% of the shares of Colpayoc S.A.C. (“Stage 1”) and the second stage, if earned, will entitle the Target to the remaining 25% of the shares of Colpayoc S.A.C. (“Stage 2”, together with Stage 1, the “Earn-In Right”). The Jose Agreement provides that, in order to retain the Earn-In Right, the Target will pay US\$150,000 to the Optionors upon the earlier of (i) the date all permits, permissions, licences and agreements required by Peruvian law are obtained, including exploration, drilling and environmental permits and community agreements required to fulfill exploration expenditure requirements (the “Approval Date”), and (ii) July 1, 2022.

Pursuant to the Jose Agreement, the Target can acquire the shares of Colpayoc S.A.C. by making the following cash payments and exploration expenditures: Stage 1 (75%) by making cash payments of US\$1.5 million within two (2) years from the Approvals Date and incurring exploration expenditures of US\$1 million in year one (1) and US\$2 million in year two (2); and Stage 2 (25%) by making cash payments of US\$1.5 million within four (4) years from the Approvals Date and incurring exploration expenditures of US\$1 million in year three (3) and US\$1 million in year four (4).

In addition, upon acquisition of the earned interest, the Optionors shall be granted, on a *pro-rata* basis, an aggregate two percent (2%) net smelter returns royalty (the “Jose Royalty”) from production on the Francisco Concessions. The Peru Subsidiary is entitled to (but not required to) buy back some or all of the Jose Royalty within one (1) year of the commencement of commercial production by making aggregate payments to the holders of the Jose Royalty (on a *pro-rata* basis) as follows:

- US\$1,000,000 for each 0.5% of the Jose Royalty for up to 1.0% of the Jose Royalty;
- US\$1,500,000 for the next 0.5% of the Jose Royalty, and
- US\$2,000,000 for the remaining 0.5% of the Jose Royalty.

On April 29, 2021, the Target entered into a binding letter agreement with the owner of the “El Ferrol No. 18” mineral concession (adjacent to the “Francisco Jose IV” concession), which forms part of the Colpayoc Property and consists of approximately 900 hectares located in Cajamarca, Peru. On July 24, 2021, the binding letter agreement was superseded by a definitive earn-in agreement (the “El Ferrol Agreement”), whereby the Target, through the Peru Subsidiary, can acquire a 100% interest in the “El Ferrol No. 18” mineral concession by making an aggregate payment of US\$250,000 in the following amounts on or before the following dates:

- US\$50,000 (paid) following the date of registering the El Ferrol Agreement (the “Effective Date”);
- US\$50,000 one (1) years from the Effective Date;
- US\$75,000 two (2) years from the Effective Date; and
- US\$75,000 three (3) years from the Effective Date.

In addition, upon acquisition of the earned interest, the owner of the “El Ferrol No. 18” concession shall be granted a one percent (1%) net smelter returns royalty (the “El Ferrol Royalty”) on production from the “El Ferrol No. 18” concession. The Peru Subsidiary is entitled to (but not required to) buy back all the El Ferrol Royalty within nine (9) years after acquisition by making a payment of US\$500,000 to the owner of the “El Ferrol No. 18” concession.

The Technical Report

The Target commissioned the Author to prepare the Technical Report on the Colpayoc Property, which has been assumed by the Company. The Author is an independent Qualified Person under NI 43-101 and the Technical Report, a report compliant with NI 43-101, is dated December 20, 2021 and has been filed on SEDAR and is incorporated by reference.

Rationale for and Background to the Colpayoc Acquisition

The following is a summary of the material events, meetings, negotiations and discussions among the parties that preceded the public announcement of the Colpayoc Acquisition.

Level 14 is an exploration-stage mining company with a focus on acquiring, exploring and developing precious metal properties. Management and the Board regularly consider, monitor and investigate opportunities to enhance shareholder value. Management and the Board also regularly review and consider market conditions, including commodity prices and other factors that affect the business, operations and affairs of the Company including its growth and sustainability.

Following completion of the Company’s listing on the Exchange on December 14, 2020, the Board investigated various opportunities including potential strategic transactions with various industry participants and other interested parties. Management and the Board reviewed and considered such transactions to determine whether pursuing them would be in the best interest of the Company and accomplish the Company’s strategic objective.

In May 2021, the Target Shareholders discussed the potential acquisition of the Target with the Board. Subsequently, the Company with its legal and accounting advisors reviewed historical technical data and the earn-in agreements for the Colpayoc Property. In August 2021, the parties engaged in negotiations with respect to the Colpayoc Acquisition.

During the course of their review of the Colpayoc Acquisition, the Board and its consultants had further discussions in September 2021. In October 2021, after evaluation of the Company’s current business, financial position and future plans and prospects, the Target and the Company discussed transaction terms.

Among the documents reviewed by the Company was: (i) “Colpayoc Gold Project Technical Report” dated effective December 21, 2011, and prepared by Dean D. Turner, C.P.G., Exploration Geotechnologies, Inc. 2011; (ii) a recent

summary report on the Colpayoc Property prepared by the Target dated November 1, 2021; and (iii) a draft of the Technical Report.

The Board also considered, among other things:

- Arm's Length Negotiations. The agreed terms were negotiated at arm's length and were consistent with the Board's assessment of the fair market value of the Colpayoc Property.
- Strategic Rationale. The Colpayoc Acquisition is aligned with the Company's focus acquiring, exploring and developing precious metal properties.
- Access to Capital. The Company's ability to make use of the public market to raise capital is likely to be significantly enhanced following closing of the Colpayoc Acquisition.
- Shareholder Approval. The Colpayoc Acquisition must be approved by at least a simple majority of the votes cast on the resolution by Shareholders of the Company, excluding any related parties of the Company.
- The Company also considered the contents of the draft Technical Report.

The Board discussed the anticipated benefits of the Colpayoc Acquisition to the Company and its stakeholders and weighed these against the associated risks and negative factors, including the risks to the Company if the Colpayoc Acquisition is not completed, including the costs to the Company in pursuing the Colpayoc Acquisition, the diversion of management's attention away from conducting the Company's business in the ordinary course and the potential impact on the Company's current business relationships (including with future and prospective employees, suppliers and partners).

The Board concluded that, overall, the anticipated benefits of the Colpayoc Acquisition to the Company outweighed these risks and negative factors. Ultimately, as disclosed in the Circular, the Board determined that the Colpayoc Acquisition is in the best interests of the Company and that they would recommend that Shareholders vote in favor of the Colpayoc Acquisition.

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive, but includes the material information and factors considered by the Board in its consideration of the Colpayoc Acquisition. In view of the variety of factors and the amount of information considered in connection with the Board's evaluation of the Colpayoc Acquisition, they did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations. The recommendation of the Board was made after consideration of all of the above-noted and other factors and in light of its knowledge of the business, financial condition and prospects of the Company. In addition, individual Board members may have assigned different weights to different factors.

In November 2021, the Board and Target Shareholders negotiated the terms of the Colpayoc Acquisition. It was agreed that the Company would issue, pay and grant the following to the Target Shareholders in consideration for the Target Shares: (a) issue an aggregate of 36,000,000 Shares; (b) pay the Cash Payment; and (c) grant the Royalty (the "Agreed Terms"). Each of the Company and the Target engaged their respective legal counsel to prepare the Share Exchange Agreement, reflecting the Agreed Terms.

On November 17, 2021, the Company announced that it had entered into the Share Exchange Agreement.

Colpayoc Acquisition Terms and Approval

At the Meeting, Shareholders will be asked to approve by: (i) a majority of the votes cast in person or by proxy at the Meeting; and (ii) a majority of the Shareholders present at the Meeting in person or by proxy not including any votes held by the Excluded Persons. As discussed above under "Approval Requirements" and below under "Related Party Transaction and Minority Approval", the Company has determined that an aggregate of 4,200,000 Shares beneficially owned or over which control or direction is exercised by the Excluded Persons will be excluded from voting on the Acquisition Resolution.

Pursuant to the terms of the Share Exchange Agreement, each Target Shareholder will receive 50,000 Exchange Shares for each one (1) Target Share held such that an aggregate of 36,000,000 Exchange Shares will be issued in

exchange for the 720 issued and outstanding Target Shares. The Exchange Shares are to be issued at a deemed price of \$0.16 per Exchange Share, being the closing price of Shares on the Exchange prior to signing the Share Exchange Agreement, for aggregate deemed consideration of \$5,760,000. As a result, the Target Shareholders as a group will be issued approximately 47.9% of the issued and outstanding share capital of the Company upon completion of the Colpayoc Acquisition. In addition to the Exchange Shares, the Company shall pay the Cash Payment and grant the Royalty pursuant to the Share Exchange Agreement.

Shareholders should review this Circular in its entirety, in particular the Share Exchange Agreement effective November 17, 2021 among the Company, the Target and the Target Shareholders relating to the Colpayoc Acquisition, which was filed on SEDAR on November 29, 2021 under the profile of the Company and is incorporated by reference, for a more complete understanding of the particulars of the Colpayoc Acquisition.

Notwithstanding the approval of the Acquisition Resolution at the Meeting, completion of the Colpayoc Acquisition will be subject to the approval of the Exchange and either the Board or the Target Board may determine, in their own discretion without further approval of their respective Shareholders, not to complete the Colpayoc Acquisition.

Related Party Transaction and Minority Approval

The Share Exchange constitutes a Related Party Transaction within the meaning of MI 61-101 because David De Witt, an Insider of the Company by way of owning more than 10% of the issued and outstanding Company Shares, is a controlling shareholder and sole director of the Target and holds the following interest in Target Shares and Company Shares:

Name	Target Shares	Company Shares
David De Witt	600 or 83.33%	4,000,000 or 10.24%
Pathway Capital Ltd. ⁽¹⁾	N/A	200,000 or 0.51%

(1) Mr. De Witt is a joint owner of Pathway Capital Ltd.

MI 61-101 requires that the Company obtain minority approval for the Share Exchange. In accordance with MI 61-101, in determining what constitutes minority approval for a Related Party Transaction, the Company must exclude the votes attached to affected securities that to the knowledge of the Company or its directors and officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by: (a) the Company, (b) an Interested Party (as such term is defined in MI 61-101), (c) a Related Party of an Interested Party, or (d) a joint actor with a person referred to in (b) or (c) above.

As a result of the foregoing, the Company has determined that an aggregate of 4,200,000 Shares owned or over which control or direction is exercised by the Excluded Persons, being 10.75% of the issued and outstanding Shares, will be excluded from voting on the Acquisition Resolution.

Pursuant to MI 61-101, if a transaction is a Related Party Transaction, a formal valuation and minority approval of the transaction may be required. As the Company is listed on the Exchange and no other stock exchange outside of Canada and the United States, MI 61-101 provides an exemption to the general requirement to obtain a formal valuation.

Acquisition Resolution

At least a majority of the votes cast in person or by proxy at the Meeting and a majority of the Shareholders not including any votes held by the Excluded Persons will be asked to approve the Colpayoc Acquisition and all matters related thereto by passing the Acquisition Resolution at the Meeting, such resolution to be substantially in the form set forth below:

“RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (1) The terms of the Share Exchange Agreement dated November 17, 2021 (the “Agreement”) among the Company, Bridle Capital Ltd. (the “Target”) and the shareholders of the Target (the “Target Shareholders”), providing for the acquisition (the

“Acquisition”) of all of the issued and outstanding shares of the Target by the Company from the Target Shareholders in exchange for: (i) the issuance of an aggregate of 36,000,000 common shares in the capital of the Company to the Target Shareholders at a deemed price of \$0.16 per share; (ii) the reimbursement of expenses in the amount of approximately US\$625,000; and (iii) the granting a one percent (1%) net smelter return royalty on the Colpayoc Property, be and are hereby confirmed and approved;

- (2) Subject to the approval of the Canadian Securities Exchange (the “Exchange”), the completion of the Acquisition on such terms and conditions as the board of directors of the Company (the “Board”) may determine in its sole discretion, and all matters related and transactions ancillary thereto in accordance with the terms of the Agreement be and are hereby authorized and approved;
- (3) Notwithstanding the approval of this resolution by the shareholders of the Company, or the approval of the Acquisition by the Exchange, the Board is hereby authorized and empowered without further notice to, or approval of, the shareholders (but subject to the terms of the Agreement) to (i) amend, modify or supplement the Agreement in accordance with its terms and (ii) not proceed with the Acquisition and related transactions at any time prior to the Closing; and
- (4) Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions and the matters authorized hereby, including the transactions contemplated in the Agreement, with such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

For the Colpayoc Acquisition to be completed, the Acquisition Resolution must be passed by: (i) at least a majority of the votes cast in person or by proxy at the Meeting; and (ii) a majority of the Shareholders present at the Meeting in person or by proxy not including any votes held by the Excluded Persons. Unless otherwise directed, the persons named in the accompanying form of proxy intend to vote such proxies in favor of the Acquisition Resolution.

Tax Consequences

The tax consequences of the Acquisition for each Shareholder will depend upon each Shareholder’s particular circumstances. **Accordingly, all Shareholders should consult their own independent tax advisors for advice with respect to the income tax consequences of the Colpayoc Acquisition applicable to them, having regard to their own particular circumstances.**

Director Discretion

Irrespective of whether the Acquisition Resolution is passed by the Shareholders, the Board may elect not to proceed with the Colpayoc Acquisition and the other transactions contemplated in the Share Exchange Agreement.

Risks Associated with the Colpayoc Acquisition

As the Company shall remain an exploration-stage mining company, please see the “Risk Factors” section of the Company’s prospectus dated November 30, 2020 and filed on SEDAR on December 1, 2020 under the profile of the Company. In addition to the foregoing, since the Colpayoc Property is located in Peru, the following are some additional risk factors:

The Colpayoc Property is subject to potential political, social and economic instability

The Colpayoc Property is located in the Republic of Peru. Regardless of Peru's progress in recent decades in restructuring its political institutions and revitalizing its economy, it has a history of political and economic

instability under both democratically elected and dictatorial governments. The Company believes that political and social conditions in Peru are stable and conducive to conducting business; however, the Company's current and future mineral exploration, development and mining activities could be affected by adverse political, social or economic developments. Adverse developments might include: civil unrest and rebellion; the imposition of unfavorable government regulations on foreign investment, production and extraction, prices, exports, income taxes, currency convertibility, environmental compliance, or changes to worker safety legislation; the expropriation of property; or creeping expropriation of the economic value of property.

Title to the Colpayoc Property may be challenged

Although title to the Colpayoc Property has been reviewed by or on behalf of the Company, no guarantees can be given that there are no title defects affecting the Colpayoc Property. Title insurance generally is not available for mining claims in Peru, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties may be constrained. Accordingly, the Colpayoc Property mineral claims may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to conduct work on the Colpayoc Property as permitted or to enforce its rights with respect to its properties.

Recommendation of the Directors

The Board has reviewed the terms of the Colpayoc Acquisition, concluded that it is in the best interests of the Company to proceed with the Colpayoc Acquisition and unanimously recommends that the Shareholders vote in favor of the Acquisition Resolution.

Approval of Share Consolidation

Immediately following the closing of the Colpayoc Acquisition, the Company shall complete the Consolidation whereby it will consolidate the issued and outstanding Shares on the basis of 1.5 pre-Consolidation Shares for each one (1) post-Consolidation Share. At the Meeting, Shareholders will be asked to consider, and if thought advisable, to approve the Consolidation Resolution (the full text of which is set out below) approving the Consolidation. The Board will then have the sole discretion to proceed with the Consolidation, subject to the receipt of the approval of the Exchange.

Effects of the Consolidation

The Consolidation will result in Shareholders holding a smaller number of Shares. However, the Consolidation will not affect any Shareholder's percentage ownership interest or voting rights in the Company, except to the extent that the Consolidation would otherwise result in any Shareholder owning a fractional Share. Any fractional Shares resulting from the Consolidation will be rounded down to the next whole Share, and no additional consideration will be paid for any such fractional Share. If, as a result of the Consolidation, a Shareholder would otherwise be entitled to a fraction of a Share in respect of the total aggregate number of pre-Consolidation Shares held by such Shareholder, no such fractional Share will be awarded. The aggregate number of Shares that such Shareholder is entitled to will, if the fraction is less than one half of one Share, be rounded down to the next closest whole number of Shares, and if the fraction is at least one half of one Share, be rounded up to one whole Share, all as provided for by Section 83 of the BCBCA.

Except for any change resulting from the rounding described above, the change in the number of Shares outstanding that would result from the Consolidation will cause no change in the stated capital attributable to the Shares.

In general, the Consolidation will not be considered to result in a disposition of Shares by Shareholders for Canadian federal income tax purposes. The aggregate adjusted cost base to a Shareholder for such purposes of all Shares held by the Shareholder will not change as a result of the Consolidation; however, the Shareholder's adjusted cost base per Share will increase proportionately. Each Option, warrant, or other security of the Company convertible into pre-Consolidation Shares that has not been exercised or cancelled prior to the implementation of the Consolidation, will be adjusted pursuant to the terms of the Consolidation ratio in accordance with the terms of such Option, warrant or other security.

Effect on Non-Registered Holders

Non-Registered Holders holding their Shares through an Intermediary should note that such Intermediary may have different procedures for processing the Consolidation than those that will be put in place by the Company for registered Shareholders. If you hold your Shares with such Intermediary and if you have questions in this regard, you should contact your Intermediary.

Exchange of Share Certificates

If the Consolidation is approved by Shareholders, accepted by the Exchange, and implemented by the Board, Shareholders will be required to exchange their share certificates representing pre-Consolidation Shares for new share certificates representing post-Consolidation Shares. Following a determination by the Board to implement the Consolidation, it is expected that the Transfer Agent will send a letter of transmittal to each Shareholder as soon as practicable after the implementation of the Consolidation. The letter of transmittal will contain instructions on how Shareholders can surrender their share certificates representing pre-Consolidation Shares to the Transfer Agent. The Transfer Agent will forward to each Shareholder who has sent in their share certificates representing pre-Consolidation Shares, along with such other documents as the Transfer Agent may require, a new share certificate representing the number of post-Consolidation Shares to which such Shareholder is entitled.

Shareholders should not destroy any share certificate and should not submit any share certificate for a new share certificate until requested to do so.

Procedures for Implementing the Consolidation

If the Shareholders approve the Consolidation Resolution set forth below, the Board will have the authority, in its sole discretion, to determine whether or not to implement the Consolidation. If the Board decides to implement the Consolidation, the Company will promptly make the required filings with the Exchange. The Consolidation will be effective on the date on which the Board determines to carry out the Consolidation after receiving the acceptance of the Exchange. Following receipt of the Exchange's final acceptance of the Consolidation, the Company will cause letters of transmittal, as described above, to be mailed to the Shareholders.

Under the BCBCA, Shareholders do not have dissent and appraisal rights with respect to the proposed Consolidation, and the Company will not independently provide Shareholders with any such right.

Risks Associated with the Consolidation

The effect of the Consolidation upon the market price of the Shares cannot be predicted with any certainty. There can be no assurance that the total market capitalization of the Shares immediately following the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per Share market price of the Shares following the Consolidation will remain higher than the per Share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation. Furthermore, the Consolidation may lead to an increase in the number of shareholders who will hold "odd lots"; that is, a number of Shares not evenly divisible into board lots (a board lot is 100, 500 or 1,000 Shares, depending on the price of the Shares). As a general rule, the cost to Shareholders transferring an odd lot of Shares is somewhat higher than the cost of transferring a "board lot". Nonetheless, despite the risks and the potential increased cost to Shareholders in transferring odd lots of post-Consolidation Shares, the Board believes the Consolidation is in the best interests of the Company.

The Consolidation Resolution to be put before the Shareholders at the Meeting is set out below:

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (1) The Company is hereby authorized to consolidate all of the issued and outstanding common shares (each, a "Share") in the capital of the Company immediately following the closing of the

acquisition of all of the issued and outstanding shares of Bridle Capital Ltd. (the “Target”) by the Company from the shareholders of the Target (the “Target Shareholders”), in accordance with the terms of a Share Exchange Agreement dated November 17, 2021 among the Company, the Target and the shareholders of the Target, at a consolidation ratio of 1.5 pre-Consolidation Shares for each one (1) post-Consolidation Share (the “Consolidation”);

- (2) Any fractional Shares resulting from the Consolidation be rounded down to the next whole Share, and no additional consideration shall be paid for any such fractional Share;
- (3) The board of directors of the Company be and is hereby authorized, in its sole discretion, to determine whether or not, and when, to implement the Consolidation;
- (4) Subject to paragraph 5 below, the solicitors for the Company are authorized and directed to prepare and electronically file, if required, any filings required by with the Registrar of Companies;
- (5) Any filings, if required, shall not be filed with the Registrar of Companies unless and until this resolution has been deposited at the Company’s records office; and
- (6) Any one director or officer of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions.”

To be effective, the Consolidation Resolution must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Consolidation Resolution.

The form of the Consolidation Resolution set forth above is subject to such amendments as management may propose at the Meeting but which shall not materially affect the substance of the Consolidation Resolution. The Board has concluded that Consolidation is in the best interests of the Company and its Shareholders, and accordingly, the Company recommends that Shareholders vote in favor of the Consolidation Resolution. In the absence of instructions to the contrary, the persons named in the accompanying proxy intend to vote FOR the Consolidation Resolution.

Recommendation of the Directors

The Board has concluded that it is in the best interests of the Company to proceed with the Consolidation Resolution and unanimously recommends that the Shareholders vote in favor of the Consolidation Resolution.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company’s executive compensation is intended to be consistent with the Company’s business plans, strategies and goals, including the preservation of working capital. The Company’s executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company’s compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Board determines and approves the compensation of the Company’s directors and NEOs and in doing so considers the risks associated with the Company’s compensation policies and practices. The Board intends for executive compensation to be consistent with the Company’s business plans, strategies and goals, including the preservation of working capital as the Company seeks to devote funds to exploration activities.

The Company has adopted the Stock Option Plan to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

Other than as disclosed herein, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

Name and Position	Fiscal Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Maximum Compensation (\$)
Marcel de Groot <i>President, CEO and Director, and former Corporate Secretary</i> ⁽¹⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Victoria McMillan <i>CFO</i> ⁽²⁾	2020	19,266	Nil	Nil	Nil	Nil	19,266
	2019	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾ Mr. de Groot was appointed as a director, as well as President, CEO and Corporate Secretary upon incorporation of the Company on November 7, 2018. Mr. de Groot resigned as Corporate Secretary effective September 1, 2020. Mr. de Groot was also the Company's sole director until September 1, 2020.

⁽²⁾ Ms. McMillan was appointed as CFO of the Company upon incorporation of the Company on November 7, 2018 and resigned November 17, 2021.

Stock Options and Other Compensation Securities

The following table sets out information for each of the current officers and directors of the Company concerning all option-based awards issued as of December 31, 2020:

Name and Position	Type of 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 (\$)⁽¹⁾	Closing price of security or underlying security at year end (\$)	Expiry Dates
Marcel de Groot President, CEO and Director	Options	350,000 ⁽²⁾ 300,000	December 14, 2018 September 18, 2020	\$0.10 \$0.10	-	-	December 14, 2023 September 18, 2025
Hayley Thomasen Director	Options	300,000	September 18, 2020	\$0.10	-	-	September 18, 2025

Christopher Cooper Director	Options	100,000	September 18, 2020	\$0.10	-	-	September 18, 2025
Victoria McMillan CFO ⁽³⁾	Options	175,000 125,000	December 14, 2018 September 18, 2020	\$0.10 \$0.10	- -	- -	December 14, 2023 September 18, 2025
Christian Uria Corporate Secretary ⁽³⁾	Options	50,000	September 18, 2020	\$0.10	-	-	September 18, 2025

(1) The Shares commenced trading on December 14, 2020 and as such there was no closing price of the security on the date of grant. There had been no trades in the Shares by December 31, 2020 and so a closing share price of \$0.00 has been used.

(2) 350,000 options were issued to Pathway Capital Ltd., a company owned by Marcel de Groot.

(3) Ms. McMillan resigned as CFO on November 17, 2021 and was replaced by Mr. Uria on November 17, 2021, who is now both CFO and Corporate Secretary.

No compensation security has been re-priced, cancelled and replaced, has its term extended, or otherwise been materially modified, in the most recently completed financial year.

Exercise of Options and Compensation Securities by Directors and NEOs

During the financial year ended December 31, 2020, no NEO or director exercised compensation securities.

Stock Option Plans and Other Incentive Plans

The Stock Option Plan approved by the Board effective as of December 14, 2018. The principal purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity to be issued with and acquire Shares, thereby increasing their proprietary interest in the Company, and encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of Shares of the Company issued and outstanding from time to time.

The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all Options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate.

The number of Shares which may be issuable under the Stock Option Plan: (a) shall not exceed 10% of the total number of the issued and outstanding Shares; (b) to any one participant within a 12-month period shall not exceed 5% of the total number of the issued and outstanding Shares; and (c) within a one-year period (i) to any one person, shall be no more than 5% of the total number of issued and outstanding Shares, with the exception of a consultant who may not receive grants of more than 2% of the total number of issued and outstanding Shares; (ii) to Insiders as a group, shall be no more than 10% of the total number of issued and outstanding Shares; and (iii) to persons employed to conduct investor relations activities, shall be no more than an aggregate of 2% of the total number of issued and outstanding Common Shares at any one time.

The exercise prices of Options will be determined by the Board, but will, in no event, be less than the closing market price of Shares on the trading day prior to the date of grant of the Options less the maximum discount permitted under the Exchange policies. As options are generally priced at market value at the time of grant and are subject to mandatory vesting schedules, the benefits of such compensation, if any, may not be realized by the executive until a significant period of time has passed. Accordingly, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is extremely limited.

All Options granted under the Stock Option Plan will expire no later than the date that is five years from the date that such Options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

Subject to certain limitations, in the event that an Option Holder's position as a director, officer, employee or consultant is terminated for any reason other than long term disability, death or for cause, the Options held by such Option Holder may be exercised within 90 days of termination (or 30 days if the option holder was engaged in investor relations activities), provided such Options have vested and not expired. Subject to certain limitations, in the event that an Option Holder's position as a director, officer, employee or consultant is terminated as a result of his or her death or long term disability, any Options held by such Option Holder that could have been exercised immediately prior to such termination of service shall be exercisable for a period of one year following the termination of service of such Option Holder.

Subject to certain limitations, in the event that an option holder's employment is terminated for cause, the options held by such option holder shall expire and terminate on the date of such termination for cause.

External Management Companies

Other than as disclosed herein, the Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or directors and the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

On September 1, 2020 the Company entered into an administrative services agreement (the "Services Agreement") with Pathway Capital Ltd. ("Pathway"), a company owned by Marcel de Groot and David De Witt. Under the Services Agreement, the Company pays Pathway \$2,000 per month for administrative services and \$3,000 per month for providing management services to the Company including the services of Christian Uria as Corporate Secretary and accountant to the Company. On November 17, 2021, Mr. Uria was appointed CFO of the Company and it is expected that over the next 12 months, Pathway will pay Christian Uria approximately \$57,750 for services he provides to the Company directly or indirectly.

Employment, Consulting and Management Agreements

As of December 31, 2020, the Company has not entered into written employment or consulting agreements. Marcel de Groot will not receive an annual salary for his services as President and CEO of the Company but will be compensated exclusively in Options.

Pension Plan Benefits

The Company does not anticipate having any deferred compensation plan or pension plan that provide for payments or benefits at, following or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's only equity compensation plan as of December 20, 2021:

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 security	Nil	Nil	Nil

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))
holders			
Equity compensation plans not approved by security holders	1,700,000	\$0.10	2,208,050
Total	1,700,000	\$0.10	2,208,050

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person is, or at any time during the most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of a current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person to another entity is, or at any time during the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company, or any of its subsidiaries, other than as disclosed in this Circular.

MANAGEMENT CONTRACTS

Except as provide herein, there are no management functions of the Company or any of its, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the Board, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognize the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

The Board facilitates its exercise of independent supervision over management by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Board also holds periodic meetings to discuss the operation of the Company.

Hayley Thomasen and Christopher Cooper are “independent” in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising as shareholders.

Marcel de Groot is not “independent” because Mr. de Groot is the President and CEO Company.

Directorships

The following directors are presently directors of other reporting issuers as set out below:

Name of Director of the Company	Names of Other Reporting Issuer	Stock Exchange
Marcel de Groot	Elevation Gold Mining Corporation	TSXV
	Drummond Ventures Corp.	TSXV
	Galiano Gold Inc.	TSX
Hayley Thomasen	Sun Peak Metals Corp.	TSXV
Christopher Cooper	Sweet Earth Holdings Corp.	Exchange
	Coloured Ties Capital Inc.	TSXV
	New Leaf Ventures Inc.	Exchange
	Manning Ventures Inc.	Exchange
	Alpha Lithium Corporation	TSXV
	Savannah Minerals Corp..	TSXV
	Planet Ventures Inc.	TSXV
	Reparo Energy Partners Corp.	NEX
	Global Helium Corp.	Exchange

Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of Shareholders.

Compensation

See “Executive Compensation” above for details with respect to steps taken by the Company to determine compensation for the directors and CEO.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees, if any, or individual directors. As the Board is relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent, and could be dealt with on a case-by-case basis. With respect to the Board as a whole, the Board monitors its performance on an ongoing basis, and as part of that process considers the overall performance of the Company and input from Shareholders.

Audit Committee Disclosure

The Audit Committee Charter

The full text of the Charter of the Audit Committee (the “Charter”) is disclosed at Schedule “A” to this Circular.

Mandate and Responsibilities of the Audit Committee

The Audit Committee assists the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee’s principal responsibilities include (i) recommending the external auditor to be nominated for the purpose of audit, review or attest services for the Company, (ii) recommending the compensation of the external auditor, (iii) overseeing the work of the external auditor in performing audit, review or attest services for the Company, (iv) reviewing the Company’s financial statements, management’s discussion and analysis and annual and interim earnings press releases before the Company publicly discloses this information, and (v) establishing procedures for addressing complaints or concerns regarding accounting, internal control or auditing matters.

Composition of the Audit Committee

	Independent/Not Independent⁽¹⁾	Financially Literate⁽²⁾
Marcel de Groot	Not Independent	Yes
Hayley Thomasen	Independent	Yes
Christopher Cooper	Independent	Yes

(1) A member is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of that member’s independent judgment.

(2) A member is financially literate if such member has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issued that can reasonably be expected to be raised by the Company’s financial statements.

All of the members of the Audit Committee are considered to be financially literate as required by section 1.6 of National Instrument 52-110 – Audit Committees (“NI 52-110”).

Relevant Education and Experience

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

For a summary of the experience and education of the Audit Committee members see "*Election of Directors*".

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Charter and with regard to the policies of the Exchange.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

Financial Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2019	\$8,000	\$2,000	-	-
December 31, 2020	\$18,220	\$1,500	-	-

Exemption

The Company is relying on the exemption provided by Section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements to December 31, 2020, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by

any securityholder of the Company free of charge by contacting the Company, at Suite 1400 - 400 Burrard Street, Vancouver, B.C., V6C 3A6.

BOARD APPROVAL

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

DATED at Vancouver, British Columbia, the 20th day of December, 2021.

ON BEHALF OF THE BOARD

"*Marcel de Groot*"
Marcel de Groot

President, CEO and Director

Schedule “A”**AUDIT COMMITTEE CHARTER****1.0 PURPOSE**

- 1.1** The Audit Committee (the “**Committee**”) is a standing committee of the board of directors (the “**Board**”) of Level 14 Ventures Ltd. (the “**Company**”) charged with assisting the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:
- (a) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
 - (b) review and appraise the performance of the Company’s external auditors; and
 - (c) provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

2.0 COMMITTEE MEMBERSHIP

- 2.1** The Board shall annually elect a minimum of three (3) directors to the Committee, a majority of whom shall be financially literate, independent of management and free from any material relationship with the Company, that in the opinion of the Board, would interfere with the director’s exercise of independent judgment as a member of the Committee. Unless a chair of the Committee (“**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.
- 2.2** If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”))), then all of the members of the Committee shall be independent (as that term is defined in NI 52-110).
- 2.3** If the Company ceases to be a “venture issuer” (as that term is defined in NI 52-110), then all members of the Committee shall be financially literate. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Charter of the Audit Committee (the “**Charter**”), the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

3.0 MEETINGS

- 3.1** The Committee shall meet a least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the external auditors.
- 3.2** A quorum for the transaction of business at any meeting of the Committee shall be two (2) members.

4.0 RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

4.1 Documents/Reports Review

- (a) review this Charter annually and recommend any changes to the Board; and
- (b) review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information, and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

4.2 External Auditors

- (a) annually review the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) annually obtain a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard No. 1 – *Independence Discussions with Audit Committees*;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditors;
- (g) at least once per year, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto;
- (k) review and pre-approve any non-audit services provided by the Company's external auditors, subject to the following:
 - (i) the pre-approval requirement shall be satisfied with respect to the provision of non-audit services if the following criteria (as set forth in Section 2.4 of NI 52-110) are met:
 - (A) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company (and its subsidiary entities) to its external auditors during the fiscal year in which the non-audit services are provided;

- (B) such services were not recognized by the Company (or the subsidiary entity) at the time of the engagement to be non-audit services;
- (C) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee (with such delegation being in compliance with Section 2.5 of NI 52-110); and
- (ii) the Committee may delegate to the Chair or any other independent member of the Committee the authority to pre-approve non-audit services, provided such pre-approved non-audit services are presented to the Committee at the next scheduled Committee meeting following such pre-approval.

4.3 Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (j) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4.4 Internal Control

- (a) consider the effectiveness of the Company's internal control system;
- (b) understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;
- (c) review external auditors' management letters and management's responses to such letters;
- (d) as requested by the Board, discuss with management and the external auditors the Company's major risk exposures (whether financial, operational or otherwise), the adequacy and effectiveness

of the accounting and financial controls, and the steps management has taken to monitor and control such exposures;

- (e) annually review the Company's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures; and
- (f) discuss with the Chief Financial Officer and, as is in the Committee's opinion appropriate, the President and Chief Executive Officer, all elements of the certification required pursuant to National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*.

4.5 Other

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

Schedule “B”

STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for directors, senior officers, Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "Level 14 Ventures Ltd. Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to five years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 “**affiliated entity**” means "affiliated entity" as defined in the CSE Policies.
- 2.2 "**Board**" means the Board of Directors of the Company.
- 2.3 "**Change of Control**" means the occurrence of any one or more of the following events:
 - (i) a consolidation, reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;
 - (ii) the sale, exchange or other disposition to a person other than an affiliate of the Company of all, or substantially all of the Company's assets;
 - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
 - (iv) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change; or
 - (v) any person, entity or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor Company (regardless of whether a meeting has been called to elect directors);

For the purposes of the foregoing, "Voting Securities" means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

- 2.4 **"Company"** means Level 14 Ventures Ltd. and its successors.
- 2.5 **"Consultant"** means an individual (other than an Employee or a Director of the Company) or company that:
 - a. is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliated entity of the Company, other than services provided in relation to a distribution;
 - b. provides the services under a written contract between the Company or to an affiliated entity of the Company and the individual or the company, as the case may be;
 - c. in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliated entity of the Company; and
 - d. has a relationship with the Company or an affiliated entity of the Company that enables the individual or company to be knowledgeable about the business and affairs of the Company.
- 2.6 **"Consultant Company"** means a Consultant that is a company.
- 2.7 **"CSE Policies"** means the policies included in the CSE Trading Policies and "CSE Policy" means any one of them.
- 2.8 **"Disability"** means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
 - a. being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - b. acting as a director or officer of the Company or its subsidiaries.
- 2.9 **"Discounted Market Price"** of Shares means, if the Shares are listed only on the Canadian Securities Exchange, the Market Price less the maximum discount permitted under the CSE Policy applicable to Options;
- 2.10 **"Eligible Persons"** has the meaning given to that term in section 1 hereof.
- 2.11 **"Employee"** means:
 - a. an individual who is considered an employee of the Company or a subsidiary of the Company under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
 - b. an individual who works full-time for the Company or a subsidiary of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - c. an individual who works for the Company or a subsidiary of the Company 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 Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.

- 2.12 **"Exchanges"** means the Canadian Securities Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.13 **"Expiry Date"** means the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.14 **"Grant Date"** means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.15 **"Insider"** has the meaning ascribed to such term in the Securities Act.
- 2.16 **"Investor Relations Activities"** means "Investor Relations Activities" as defined in the CSE Policies.
- 2.17 **"Joint Actor"** means a person acting "jointly or in concert with" another person as that phrase is interpreted in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.
- 2.18 **"Management Company Employee"** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in Investor Relations Activities.
- 2.19 **"Market Price"** of Shares at any Grant Date means the last closing price per Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.20 **"Option"** means an option to purchase Shares granted pursuant to, or governed by, this Plan and any pre-existing stock option plan of the Company.
- 2.21 **"Option Agreement"** means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.22 **"Optionee"** means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.23 **"Option Price"** means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.24 **"Option Shares"** means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.25 **"Plan"** means this Level 14 Ventures Ltd. Stock Option Plan.
- 2.26 **"Shares"** means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.27 **"Securities Act"** means the Securities Act, R.S.B.C. 1996, c.418, as amended, as at the date hereof.

2.28 **"Unissued Option Shares"** means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.

2.29 **"Vested"** means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. GRANT OF OPTIONS

3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than five years after the Grant Date, subject to the operation of section 4.1. Options shall not be assignable (or transferable) by the Optionee.

3.2 Limits on Shares Issuable on Exercise of Options

The number of Shares reserved for issuance under the Plan and all of the Company's other previously established or proposed share compensation arrangements:

- (a) in aggregate shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date; and
- (b) to any one Optionee within a 12-month period shall not exceed 5% of the total number of issued and outstanding shares on a non-diluted basis.

The number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;
- (b) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;
- (c) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
- (d) all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.

3.3 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to sections 4.3 and 4.4, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. Pacific Time on the Expiry Date and shall not be exercisable thereafter. In the event that the Expiry Date of an Option falls during, or within five (5) trading days of, a trading blackout period imposed by the Company (the “**Blackout Period**”), the Expiry Date of such Option shall automatically be extended to a date which is ten (10) trading days following the end of such Blackout Period (the “**Extension Period**”); provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) trading days following the end of the last imposed Blackout Period.

4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon notice and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honored upon presentation in which case the Option shall not have been validly exercised.

4.3 Vesting of Option Shares

The Board, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in Section 3.2 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Consultants performing investor relations activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three-month period.

4.4 Termination of Employment

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement

policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person. Notwithstanding the foregoing, the Board may, in its sole discretion if it determines such is in the best interests of the Company, extend the Expiry Date of the Option of an Optionee to a later date within a reasonable period in accordance with CSE Policy 6.

(d) Spin-Out Transactions

If pursuant to the operation of sub-paragraph 5.3(c) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to sub-paragraph 4.4(a), (b) or (c), as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to sub-paragraphs 4.4(a), (b) or (c) hereof; and (iv) the date that is one (1) year after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

For purposes of this paragraph 4.4, the dates of death, Disability, termination, retirement, voluntary resignation, ceasing to be an Eligible Person and incapacity shall be interpreted to be without regard to any period of notice (statutory or otherwise) or whether the Optionee or his or her estate continues thereafter to receive any compensatory payments from the Company or is paid salary by the Company in lieu of notice of termination.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this section 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5 Effect of a Take-Over Bid

If a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchanges) all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to section 4.3 shall be reinstated. If any Option Shares are returned to the Company under this section 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

4.6 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer,

declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days' notice is required and more than 30 days' notice is not required.

4.7 Compulsory Acquisition or Going Private Transaction

If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares of the Company pursuant to Division 6 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the take-over bid.

4.8 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges, if necessary.

4.9 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.10 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

5.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and

- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

5.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he/she would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he/she would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he/she had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board.

5.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other

firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of sections 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

6. MISCELLANEOUS

6.1 Right to Employment

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

6.2 Necessary Approvals

The Plan shall be effective upon the approval of the Plan by the Board and the Exchange or any regulatory authority having jurisdiction over the securities of the Company and shall be ratified thereafter by the shareholders of the Company by way of an ordinary resolution at the next duly convened meeting of the shareholders of the Company. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

6.3 Administration of the Plan

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 5.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

6.4 Withholding Taxes

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Company determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Company. In such circumstances, the Company may require that the Optionee pay to the Company, in addition to and in the same manner as the exercise price for the Shares, such amount as the Company is obliged to remit to the relevant tax authority in respect of the exercise of the Option. Alternatively, the Company shall have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares acquired upon exercise of any Option, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to an Optionee by the Company, whether or not such amounts are payable under the Plan.

6.5 Amendments to the Plan

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders, Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension,

termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or options granted thereunder will be subject to the approval of the shareholders.

6.6 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

6.7 No Representation or Warranty

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

6.8 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

6.9 No Assignment

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

6.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

6.11 Previously Granted Options

Stock options which are outstanding under pre-existing stock option plan(s) of the Company as of the effective date of this Plan shall continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of this Plan except to the extent that the terms of this Plan are more restrictive than the terms of such pre-existing plan(s) under which such stock option were originally granted, in which case the applicable pre-existing plan(s) shall govern.

6.12 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

6.13 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

6.14 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

6.15 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

SCHEDULE "A"

LEVEL 14 VENTURES LTD.

STOCK OPTION PLAN - OPTION AGREEMENT

[The following legend is required in respect of: (i) Options with an Option Price at a discount to the Market Price; or (ii) Options granted to directors, officers, promoters of the Company or persons holding securities carrying more than 10% of the voting rights and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Company: *Without prior written approval of the Canadian Securities Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Canadian Securities Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●, 20● (being four months and one day after the date of grant).*]

This Option Agreement is entered into between **LEVEL 14 VENTURES LTD.** (the "**Company**") and the **OPTIONEE** named below pursuant to the Company Stock Option Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that:

1. on ●, 20● (the "**Grant Date**");
2. ● (the "**Optionee**");
3. was granted the option (the "**Option**") to purchase ● common shares (the "**Option Shares**") of the Company;
4. for the price (the "**Option Price**") of \$● per share;
5. which rights to purchase the Option Shares under the Option may be exercised and will vest in full on the Grant Date
6. the Option will terminate on ● (the "**Expiry Date**");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

Where the Optionee is resident in or otherwise subject to the securities laws of the United States, the Optionee acknowledges that any Option Shares received by him/her upon exercise of the Option have not been registered under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "**Securities Acts**"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him/her or to assist him/her in complying with any exemption from such registration if he/she should at a later date wish to dispose of the Option Shares. The Optionee acknowledges that the Option Shares shall bear a legend restricting the transferability thereof, such legend to be substantially in the following form:

"The shares represented by this certificate have not been registered or qualified under the United States Securities Act of 1933, as amended or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to U.S. federal or state securities laws, and the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company."

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

Acknowledgement – Personal Information

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to the Canadian Securities Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the Canadian Securities Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ● day of ●, 20●.

Signature

Print Name

Address

LEVEL 14 VENTURES LTD.

Per: _____
Authorized Signatory

