

HERTZ LITHIUM INC.
Suite 1500 -1055 West Georgia Street
Vancouver, BC V6E 4N7

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of Hertz Lithium Inc. (the “**Company**”) will be held at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada on January 17, 2024 at 10:00 a.m. Pacific Time.

The Meeting is being held for the following purposes:

1. to receive the audited financial statements of the Company for the year ended July 31, 2023, together with the auditor’s report thereon and related management’s discussion and analysis;
2. to elect the directors to serve until the next annual general meeting of Shareholders of the Company or until their successors are duly elected or appointed;
3. to consider and, if thought appropriate, to pass an ordinary resolution to appoint Mao & Ying LLP, Chartered Professional Accountants, as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration; and
4. to transact such other business, including amendments to the foregoing, as may properly come before the Meeting or any adjournment or adjournments thereof.

The Meeting will also consider any permitted amendment to or variation of any matter identified in this Notice, and transact such other business as may properly come before the Meeting or any adjournment thereof. An Information Circular accompanies this Notice and contains details of the matters to be considered at the Meeting.

A copy of the audited financial statements of the Company for the year ended July 31, 2023, report of the auditor thereon, and related management’s discussion and analysis will be made available at the Meeting, and copies are available on SEDAR+ at www.sedarplus.ca.

Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of Proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of Proxy and in the Information Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of Proxy or voting instruction form and in the Information Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.

DATED at Vancouver, this 14th day of December, 2023.

BY ORDER OF THE BOARD

“Kal Malhi”

Kal Malhi
Chief Executive Officer

HERTZ LITHIUM INC.
Suite 1500 -1055 West Georgia Street
Vancouver, BC V6E 4N7

MANAGEMENT PROXY CIRCULAR
as at December 7, 2023 *except as otherwise indicated*

This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Hertz Lithium Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on January 17, 2024, at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Circular, references to the “**Company**”, “**we**” and “**our**” refer to Hertz Lithium Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. “**Registered Shareholders**” means shareholders who hold Common Shares registered in their own name. “**Shareholders**” means all shareholders who hold Common Shares.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors and officers of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**” or “**form of proxy**”) are officers and directors of the Company. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and

- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so using one of the following methods:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Odyssey Trust Company ("Odyssey") by mail or hand delivery to 702-67 Yonge Street, Toronto, ON M5E 1J8 Attn: Proxy Department; or
- (b) use the internet through the website of the Company's transfer agent at www.odysseytrust.com/pxlogin. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the control number.

In either case you must ensure the Proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit the Proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "**Board**") at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the scrutineer before the Meeting and inform them that your previously submitted Proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

Beneficial Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing process and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners (“**OBOs**”), who object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners (“**NOBOs**”), who do not object to the issuers of the securities they own knowing who they are.

Pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) the Company distributes copies of the Notice of Meeting, this Circular and the Proxy (collectively, the “**Meeting materials**”) to the depository and intermediaries for onward distribution to Beneficial Shareholders. The Company does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of Common Shares. If you are a Beneficial Shareholder, and the Company or its agent sent these materials to you directly, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements by the intermediary holding securities on your behalf. Management of the Company does not intend to pay for intermediaries to forward the Meeting materials to OBOs, so OBOs will not receive the Meeting materials unless their intermediary assumes the cost of delivery.

If you are a Beneficial Shareholder:

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of the proxy provided by the Company. The VIF will name the same persons as are named on the Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge will then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any Shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting to vote your Common Shares.**

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Registered Shareholder is a

corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, or at the address of the registered office of the Company at Suite 1500 - 1055 West Georgia Street, Vancouver, BC V6E 4N7 at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the approval of the Option Plan (as defined herein) and RSU Plan (as defined herein).

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed December 7, 2023, as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares, which Common Shares are listed for trading on the Canadian Securities Exchange (the "**CSE**"), on the Frankfurt Stock Exchange, and the OTCQB Venture Market. As of December 7, 2023, there were 56,533,382 Common Shares issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

No Principal Holders of Voting Securities

To the knowledge of the directors and executive officers of the Company, the only persons that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares as at December 7, 2023 was:

<u>Shareholder Name</u>	<u>Number of Shares Held</u>	<u>Percentage of Issued Shares</u>
Coloured Ties Capital Inc.	7,153,500 Common Shares	12.65%

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended July 31, 2023, with the report of the auditor thereon, and the related management's discussion and analysis will be tabled at the

Meeting. These documents are also available on the Company's SEDAR+ website at www.sedarplus.ca. Additional information relating to these documents may be obtained by the Shareholder upon request without charge by contacting the Company's Chief Executive Officer at Suite 1500 – 1055 West Georgia St., Vancouver, BC V6E 4N7.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein.

If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The Board has set the number of directors of the Company at four (4). As of the date of this Circular, the current directors of the Company are: Kal Malhi, Milan Malhi, Pratap Reddy, and Robert W. Baker.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's four (4) nominees for election as director, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the last five (5) years for each director nominee), the period of time during which each has been a director of the Company and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, at December 7, 2023:

Name of Nominee; Current Position with the Company and Province and Country of Residence	Period as a Director of the Company	Principal Occupations in Past Five Years⁽¹⁾	Common Shares Beneficially Owned or Controlled⁽¹⁾
Kal Malhi⁽²⁾ Chief Executive Officer and Director Delta, British Columbia	Since September 2022	Chairman of BullRun Capital Inc. since February 2008	1 ⁽³⁾
Milan Malhi Corporate Development Officer and Director Whistler, British Columbia	Since February 2022	Corporate Development Officer of Micron Technologies Inc. since August 2020; Sales Clerk at Journey's from September 2019 to January 2020; Credit Specialist at Canada Drives from April 2019 to July 2019	330,000 ⁽⁴⁾

Name of Nominee; Current Position with the Company and Province and Country of Residence	Period as a Director of the Company	Principal Occupations in Past Five Years⁽¹⁾	Common Shares Beneficially Owned or Controlled⁽¹⁾
Pratap Reddy⁽²⁾ Director Surrey, British Columbia	Since February 2022	Director and Chief Executive Officer of Crust Resources Corp. since March 2014	Nil ⁽⁵⁾
Robert W. Barker⁽²⁾ Director Haverford, Pennsylvania, USA	Since February 2022	Self-employed (writer and Geological consultant) since July 2011	100,000 ⁽⁶⁾

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
2. Member of Audit Committee.
3. Kal Malhi also holds options to purchase 200,000 common shares at \$0.19 until April 20, 2025.
4. Milan Malhi also holds options to purchase 425,000 common shares at \$0.125 until September 30, 2027.
5. Pratap Reddy also holds options to purchase 200,000 common shares at \$0.125 until September 30, 2027.
6. Robert Barker also holds options to purchase 250,000 common shares at \$0.125 until September 30, 2027 and warrants to purchase 100,000 common share at \$0.125 until September 8, 2024.

None of the nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

Penalties, Sanctions, Cease Trade Orders, Bankruptcies Etc.

Except as listed below, no proposed director is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company, in respect of which this Circular is being prepared) that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (c) 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
- (d) has, within the ten (10) years before the date of this 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.

Zara Kanji, the Chief Financial Officer and Corporate Secretary of the Company, was the Chief Financial Officer of World Class Extraction Inc. (“**World Class**”), a CSE listed company, at the time a management cease trade order (the “**MCTO**”) was issued on August 30, 2022 by the British Columbia Securities Commission, as principal regulator, in connection with the late filing of World Class’ annual financial statements, management’s discussion and analysis and officer’s certification for the year ended April 30, 2022. The MCTO was revoked on November 3, 2022 in connection with the completion of the annual filings.

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR the election of the nominees named herein as directors of the Company until the close of the next annual general meeting.

APPOINTMENT OF AUDITOR

Mao & Ying LLP, Chartered Professional Accountants (“**Mao & Ying**”), of 1488 – 1188 West Georgia St, Vancouver, BC V6E 4A2, will be nominated at the Meeting for appointment as auditor of the Company for the Company’s ensuing fiscal year, at remuneration to be fixed by the Board. Mao & Ying became the auditors of the Company on July 27, 2022.

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR the appointment of Mao & Ying as auditor of the Company until the close of the next annual general meeting or until their successors are sooner appointed.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The provisions of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Mandate

The Audit Committee’s mandate and responsibilities are detailed in the Audit Committee Charter, and include: (i) reviewing and recommending for approval to the Board the financial statements, accounting policies that affect the statements, annual MD&A and associated press releases; (ii) being satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assessing those procedures; (iii) establishing and maintaining complaint procedures regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; (iv) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing such other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting; (v) pre-approving all non-audit services to be provided to the Company or its subsidiary entities by the external auditor; (vi) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company; and (vii) reviewing and approving the Company’s hiring policies regarding partners, employees, and former partners and employees of the present and former external auditor of the Company.

The Audit Committee's Charter

The Audit Committee has an Audit Committee Charter, a copy of which was attached as Schedule "E" to the Company's final prospectus dated February 16, 2023 (the "**Final Prospectus**") and filed on www.sedarplus.ca.

Composition of the Audit Committee

Pursuant to Section 6.1.1(3) of NI 52-110, a majority of the Audit Committee must not be executive officers, employees or control persons of the Company.

The following directors comprise the Audit Committee:

Name	Independence	Financial Literacy ⁽¹⁾
Kal Malhi	Non-Independent	Financially literate
Pratap Reddy	Independent	Financially literate
Robert Barker	Independent	Financially literate

Notes:

1. Section 1.6 of NI 52-110 provides that "An individual is financially literate if he or she has 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 reasonably be expected to be raised by the issuer's financial statements."

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides 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.

See further information for each Audit Committee member below.

Kal Malhi

Kal Malhi is a Canadian entrepreneur, businessman and retired member of the Royal Canadian Mounted Police. He is the Founder, Director and Chairman of Bullrun Capital Inc. and has been involved in raising capital for various projects. Mr. Kal Malhi specializes in working with academia and advances in technology and funded academic research that has potential for commercialization through private and public companies. He has experience in the biomedical, agriculture, and technology sectors.

Pratap Reddy

Mr. Reddy is an experienced businessman and a geologist serving the resource sector for the past 20 years. Mr. Reddy has been involved in promoting shallow gold resources in Africa, developing responsible mining, and developing mineral processing methods that eliminate the usage of mercury and cyanide. He is also engaged in the agriculture sectors in India and the United Arab Emirates. Mr. Reddy has served as a director and officer of public companies in Canada, vice-president for Colossal Resources Corp, Director of African Gems Ltd and Cachet Enterprises Corp. He also served as director for several private companies in Africa and India involved in mineral exploration. Mr. Reddy has a Masters of Science and Masters of Philosophy from Karnatak University and a Masters of Science from Carleton University.

Robert W. Barker

Dr. Barker has more than 50 years of experience in successful, multi-commodity mining exploration, with 30 years in exploration and acquisition leadership. Dr. Barker was the Chief Executive Officer for Evolving Gold Corp., a gold exploration company with mineral property interests in Nevada and Wyoming, U.S.A. Dr. Barker has established and directed new exploration companies, led exploration programs in North and South America, conducted multi-national negotiations, and established effective programs for safety, security, and community affairs. Dr. Barker has a PhD in Economic Geology from the University of California, Berkeley.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Mao & Ying.

Reliance on Certain Exemptions

At no time has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis* Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemptions in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

Pre-Approval Policies and Procedures

See the Audit Committee Charter attached as Schedule “E” to the Final Prospectus as filed at www.sedarplus.ca for specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by the Company’s auditor, Mao & Ying LLP, to ensure auditor independence. Fees incurred with Mao & Ying LLP for audit and non-audit services the years ended July 31, 2023, July 31, 2022 and July 31, 2021 are outlined in the following table.

Financial Period	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
Year ended July 31, 2023	\$41,737	Nil	Nil	Nil

Financial Period	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
Years ended July 31, 2022 and 2021	\$5,250	Nil	Nil	Nil

Notes:

1. “**Audit Fees**” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
2. “**Audit-Related Fees**” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. “**Tax Fees**” include fees for all tax services other than those included in “**Audit Fees**” and “**Audit-Related Fees**”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.
4. “**All Other Fees**” include all other non-audit services.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, 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 recognizes 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 judgement in carrying out its responsibilities 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 is responsible for monitoring the Company’s senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is “independent” if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Company.

The Board consists of Kal Malhi, Robert W. Barker, Milan Malhi and Pratap Reddy. The independent directors are Robert W. Barker and Pratap Reddy. The non-independent directors are Kal Malhi and Milan Malhi.

Directorships

The current directors are directors of other reporting issuers as follows:

Name of Director	Name and Jurisdiction of Reporting Issuer	Exchange	Start Date
Milan Malhi	First Responder Technologies Inc.	CSE	July 2022
Kal Malhi	Cannabix Technologies Inc.	CSE	July 2014
	Beyond Medical Technologies Inc. (formerly Micron Waste Technologies Inc.)	CSE	October 2017
	First Responder Technologies Inc.	CSE	July 2022
	Coloured Ties Capital Inc.	TSXV	September 2021

Orientation and Continuing Education

The Company has not adopted a formalized process of orientation for new members of the Board. Orientation of new directors has been and will be conducted on an ad hoc basis through discussions and meetings with other directors, officers and employees where a thorough description of the Company's business, assets, operations and strategic plans and objectives are discussed. Orientation activities have been and will be tailored to the particular needs and experiences of each director and the overall needs of the Board.

Meetings of the Board may also include presentations by the Company's management to give the directors additional insight into the Company's business.

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 directors' 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. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board does not have a nominations committee or a formal procedure with respect to the nomination of directors. In addition, the Company does not have any defined policy or procedure requirements of shareholders to submit recommendations or nominations for directors, and it has not established any specific or minimum criteria for nominating directors or specific process for evaluating any such nominees. The directors of the Company expect to identify future potential director candidates from recommendations made by its directors, management and shareholders, as appropriate.

Compensation

The Board is responsible for determining compensation for the officers, employees and non-executive directors of the Company. The Board annually reviews all forms of compensation paid to officers, employees and non-executive directors, both with regards to the expertise and experience of each individual and in relation to industry peers. See "*Statement of Executive Compensation*" below.

Other Committees of the Board of Directors

The Board has no committees other than the Audit Committee.

Assessments

The Board do not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size and its stage of development, the Board considers a formal assessment process to be unnecessary at the present time.

STATEMENT OF EXECUTIVE COMPENSATION

The following information is provided as required under *Statement of Executive Compensation – Venture Issuer*, Form 51-102F6V (the “**F6V**”), as such form is defined in National Instrument 51-102 (“**NI 51-102**”) and relates to the year ended July 31, 2023.

References in the F6V to “**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, all share compensation units granted or issued by the Company for services provided or to be provided, directly or indirectly, to the Company.

All currency references in this section are expressed in Canadian dollars unless otherwise specified.

Named Executive Officer

In this section “Named Executive Officer” (“**NEO**”) means any individual who, during the year ended July 31, 2023:

- (a) the chief executive officer (“**CEO**”) (or an individual who acted in a similar capacity) of the Company;
- (b) the chief financial officer (“**CFO**”) (or an individual who acted in a similar capacity) of the Company;
- (c) each of the three other most highly compensated executive officers of the Company or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed C\$150,000); and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer nor a director of the Company, nor acting in a similar capacity, at the end of the year ended July 31, 2023.

For the purposes of this section, the NEOs of the Company are Kal Malhi (CEO) and Zara Kanji (CFO).

The following persons were directors of the Company who were not also NEOs: Milan Malhi, director, Pratap Reddy, director and Robert W. Barker, director.

Director and NEO compensation, excluding compensation securities

The following table sets forth all annual and long term compensation for services paid to or earned by each of the NEOs and directors during the years ended July 31, 2023 and July 31, 2022.

Table of compensation excluding compensation securities							
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Kal Malhi ¹ CEO and Director	2023	2,19,600	Nil	Nil	28,297	Nil	247,897
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Zara Kanji ² CFO	2023	43,350	Nil	Nil	23,275	48,483	115,108
	2022	9,000	Nil	Nil	Nil	6,390	15,390
Milan Malhi ³ Director	2023	41,166	Nil	Nil	43,070	Nil	84,236
	2022	6,000	Nil	Nil	Nil	Nil	6,000
Pratap Reddy ⁴ Director	2023	12,000	Nil	Nil	18,155	Nil	30,155
	2022	3,000	Nil	Nil	Nil	Nil	3,000
Robert W. Barker ⁵ Director	2023	22,167	Nil	Nil	23,323	Nil	45,490
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Kal Malhi was appointed to the board of directors and as Chief Executive Officer on September 13, 2022.
2. Zara Kanji was appointed as Chief Financial Officer on February 1, 2022 and as Corporate Secretary on December 19, 2022.
3. Milan Malhi was appointed to the board of directors on February 1, 2022.
4. Pratap Reddy was appointed to the board of directors on February 1, 2022.
5. Robert Barker was appointed to the board of directors on February 1, 2022.

Stock Options and Other Compensation Securities

Stock Option Plan (Option-based Awards)

On August 29, 2022, the Company adopted a rolling stock option plan which provides for a total of 10% of the issued and outstanding Common Shares of the Company available for issuance thereunder (the “**Option Plan**”).

The purpose of the Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants to contribute towards the long term goals of the Company. The granting of such Options is intended to align the interests of such persons with that of the Company’s shareholders.

Administration

The Option Plan is administered by the Board, a special committee of the Board (the “**Committee**”) or by an administrator appointed by the Board or the Committee (the “**Administrator**”) all of which have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the Board, the Committee or the Administrator may from time to time designate.

Number of Common Shares Reserved

Subject to adjustment as provided for in the Option Plan, the aggregate number of Common Shares which are available for purchase pursuant to Options granted under to the Option Plan will not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to the Option Plan.

Exercise Price

The exercise price at which an Option holder may purchase a Common Share upon the exercise of an Option shall be determined by the Board, the Committee or the Administrator, as applicable, and shall be set out in the Option certificate (an “**Option Certificate**”) issued in respect of the Option. The exercise price shall not be less than the price determined in accordance with CSE policies while, and if, the Company’s Common Shares are listed on the CSE.

Maximum Term of Options

The term of any Option granted under the Option Plan (the “**Term**”) shall be determined by the Board, the Committee or the Administrator, as applicable, at the time the Option is granted but, subject to earlier termination in the event of termination, or in the event of death or disability of the Option holder. In the event of death or disability, the Option shall expire on the earlier of the date which is one year following the date of disability or death and the applicable expiry date of the Option. Options granted under the Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. The Option Plan does not establish a maximum term for Options granted under the Option Plan.

Termination

Subject to such other terms or conditions that may be attached to Options granted under the Option Plan, an Option holder may exercise a Option in whole or in part at any time and from time to time during the Term. Any Option or part thereof not exercised within the Term shall terminate and become null, void and of no effect as of the date of expiry of the Option. The expiry date of an Option shall be the date so fixed by the Board, the Committee or the Administrator, as applicable, at the time the Option is granted as set out in the Option Certificate or, if no such date is set out in for the Option Certificate the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or in the event of death or disability (as discussed above under “Maximum Term of Options”) or in the event of certain triggering events occurring, as provided for under the Option Plan:

- (a) *Ceasing to Hold Office* – In the event that the Option holder holds his or her Option as an executive and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Board, the Committee or the Administrator, as applicable, and expressly provided for in the Option Certificate, the 30th day following the date the Option holder ceases to hold such position unless the Option holder ceases to hold such position as a result of:
 - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;

- (ii) a special resolution having been passed by the shareholders of the Company removing the Option holder as a director of the Company or any subsidiary; or
- (iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position; or

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option holder holds his or her Option as an employee or consultant and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Board, the Committee or the Administrator, as applicable, and expressly provided for in the Option Certificate, the 30th day following the date the Option holder ceases to hold such position, unless the Option holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning or terminating his or her position; or
- (iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position.

In the event that the Option holder ceases to hold the position of executive, employee or consultant for which the Option was originally granted, but comes to hold a different position as an executive, employee or consultant prior to the expiry of the Option, the Committee, the Board or the Administrator, as applicable, may, in its sole discretion, choose to permit the Option to stay in place for that Option holder with such Option then to be treated as being held by that Option holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option holder. Notwithstanding anything else contained in the Option Plan, in no case will an Option be exercisable later than the expiry date of the Option.

A copy of the Option Plan was filed on SEDAR+ at www.sedarplus.ca on November 22, 2022.

Restricted Share Unit Plan

On October 24, 2022, the Company adopted a rolling restricted share unit plan (the “**RSU Plan**”). The aggregate number of Common Shares that may be issued pursuant to the RSU Plan, when combined with Common Shares reserved for issuance pursuant to other share compensation arrangements (including the Option Plan), may not exceed 20% of the Common Shares issued and outstanding at the time of the grant.

The purpose of the RSU Plan is to promote and advance the interests of the Company by providing directors, officers, employees and consultants of the Company with an additional incentive through the opportunity to receive bonuses in the form of Common Shares. The potential of receiving Common Shares also increases the Company’s ability to attract, retain and motivate directors, officers, employees, and consultants.

As of the date hereof, the Company does not have any RSUs outstanding.

Terms of the Plan

Administration

The RSU Plan is administered by the Board, which has the full and final authority to provide for the granting, vesting, settlement and the method of settlement of RSUs granted thereunder. RSUs may be granted to directors, officers, employees or consultants of the Company or its affiliates, as the Board may from time to time designate. The Board has the right to delegate the administration and operation of the RSU Plan to a committee and/or any member of the Board.

Number of Common Shares Reserved

Subject to adjustment as provided for in the RSU Plan, the aggregate number of Common Shares available for issuance under the RSU Plan will not, when combined with Common Shares reserved for issuance pursuant to other share compensation arrangements (including the Option Plan) exceed 20% of the number of Common Shares which are issued and outstanding on the particular date of grant. If any RSU expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated RSU shall again be available for the purposes of granting RSUs pursuant to the RSU Plan.

Granting, Settlement and Expiry of RSUs

Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated a number of RSUs as the Board deems appropriate, with vesting provisions also to be determined by the Board. Upon vesting, subject to the provisions of the RSU Plan, the RSU holder may settle its RSUs during the settlement period applicable to such RSUs, provided that in no event shall the expiry date be a date that is more than three years from the date of grant. Where, prior to the expiry date, an RSU holder fails to elect to settle an RSU, the holder shall be deemed to have elected to settle such RSUs on the day immediately preceding the expiry date. An RSU holder shall be entitled to receive one Common Share for each vested RSU or, at the sole option of the Company, an amount in cash, net of applicable taxes and contributed to government sponsored plans, equal to the number of RSUs vested, multiplied by the market price of Common Shares on the redemption date.

Termination

Except as otherwise determined by the Board:

- (a) all RSUs held by the RSU holder (whether vested or unvested) shall terminate automatically on the date which the RSU holder ceases to be eligible to participate in the RSU Plan or otherwise on such date on which the Company terminates its engagement of the RSU holder (the “RSU Holder Termination Date”) for any reason other than as set forth in paragraph (b) and (c) below;
- (b) in the case of a termination of the RSU holder’s service by reason of (A) termination by the Company or any subsidiary of the Company other than for cause, or (B) the RSU holder’s death or disability, the RSU holder’s unvested RSUs shall vest automatically as of such date, and on the earlier of the original expiry date and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the RSU Holder Termination Date), the RSU holder (or their executor or administrator, or the person or persons to whom the RSUs are transferred by will or the applicable laws of

descent and distribution) will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the RSU Holder Termination Date) the RSU holder fails to elect to settle a vested RSU, the RSU holder shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the RSU Holder Termination Date) and to receive Common Shares in respect thereof;

- (c) in the case of a termination of the RSU holder's services by reason of voluntary resignation, only the RSU holder's unvested RSUs shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the RSU Holder Termination Date), the RSU holder will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the RSU Holder Termination Date) the RSU holder fails to elect to settle a vested RSU, the RSU holder shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the RSU Holder Termination Date) and to receive Common Shares in respect thereof;
- (d) for greater certainty, where a RSU holder's employment, term of office or other engagement with the Company terminates by reason of termination by the Company or any subsidiary of the Company for cause then any RSUs held by the RSU holder (whether unvested or vested) at the RSU Holder Termination Date, immediately terminate and are cancelled on the RSU Holder Termination Date or at a time as may be determined by the Board, in its discretion;
- (e) a RSU holder's eligibility to receive further grants of RSUs under the RSU Plan ceases as of the earliest of the date the RSU holder resigns from or terminates its engagement with the Company or any subsidiary of the Company and the date that the Company or any subsidiary of the Company provides the RSU holder with written notification that the RSU holder's employment, term of office or engagement, as the case may be, is terminated, notwithstanding that such date may be prior to the RSU Holder Termination Date; and
- (f) for the purposes of the RSU Plan, a RSU holder shall not be deemed to have terminated service or engagement where the RSU holder: (i) remains in employment or office within or among the Company or any subsidiary of the Company or (ii) is on a leave of absence approved by the Board.

A copy of the RSU Plan was filed on SEDAR+ at www.sedarplus.ca on November 22, 2022.

Stock Option and RSU Grants

The following options were granted to NEOs and Directors during the year ended July 31, 2023:

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue conversion or exercise price	Expiry Date
Kal Malhi CEO, Director, and Promoter	Options	200,000 ⁽¹⁾ (200,000 Common Shares) (10.26% ⁽²⁾)	April 20, 2023	\$0.19	April 20, 2025
Zara Kanji CFO and Corporate Secretary	Options	250,000 ⁽³⁾ (250,000 Common Shares) (12.82% ⁽²⁾)	September 30, 2022	\$0.125	September 30, 2027
Milan Malhi Corporate Development Officer and Director	Options	425,000 ⁽⁴⁾ (425,000 Common Shares) (21.80% ⁽²⁾)	September 30, 2022	\$0.125	September 30, 2027
Robert W. Barker Director	Options	250,000 ⁽⁵⁾ (250,000 Common Shares) (12.82% ⁽²⁾)	September 30, 2022	\$0.125	September 30, 2027
Pratap Reddy Director	Options	200,000 ⁽⁶⁾ (200,000 Common Shares) (10.26% ⁽²⁾)	September 30, 2022	\$0.125	September 30, 2027

Notes:

1. 200,000 Options vested immediately.
2. Based on 1,950,000 Options issued and outstanding
3. 100,000 Options vested immediately, 50,000 Options vested on February 8, 2023, 50,000 Options vested on August 8, 2023, and 50,000 Options will vest on February 8, 2024.
4. 212,500 Options vested immediately and 212,500 Options vested on May 1, 2023.
5. 125,000 Options vested immediately and 125,000 Options vested on September 30, 2023.
6. 50,000 Options vested immediately, 50,000 Options vested on February 9, 2023, 50,000 Options vested on August 9, 2023, and 50,000 Options will vest on February 9, 2024.

Exercise of Compensation Securities by NEOs and Directors

There were no Options or RSU's exercised by NEOs and directors of the Company during the year ended July 31, 2023.

Employment, consulting and management agreements

Ms. Kanji entered into a consulting agreement with the Company dated February 8, 2022 (the “**Kanji Consulting Agreement**”). Pursuant to the Kanji Consulting Agreement, Ms. Kanji has agreed to provide her services as Chief Financial Officer commencing on February 8, 2022. Effective May 1, 2023 she is remunerated at \$5,000 per month. Ms. Kanji may also be entitled to certain incentive bonuses from time to time, to be determined at the sole discretion of the Board. Ms. Kanji has also been granted 250,000 Options, which were issued in accordance with the Option Plan, pursuant to the Kanji Consulting Agreement. The Kanji Consulting Agreement may be terminated by Ms. Kanji upon 30 days written notice, or by the

Company with just cause. If the Kanji Consulting Agreement is terminated by (i) the Company without just cause, or (ii) by Ms. Kanji due to a material adverse change in her position or duties, a reduction by the Company by her monthly fee, or material breach of the Company which has not been cured within a reasonable time period following notice of such material breach, the Company must pay Ms. Kanji an amount equal to two (2) times the monthly fee in effect at the date of termination for each complete year of services provided by Ms. Kanji, with the calculation of the years of service beginning as of August 8, 2022. Ms. Kanji is not eligible for severance during her first six (6) months of service.

Mr. Reddy entered into a consulting agreement with the Company dated February 9, 2022 (the “**Reddy Consulting Agreement**”). Pursuant to the Reddy Consulting Agreement, Mr. Reddy has agreed to provide his services as Director at a remuneration of \$1,000 per month commencing on February 9, 2022. Mr. Reddy may also be entitled to certain incentive bonuses from time to time, to be determined at the sole discretion of the Board. Mr. Reddy has also been granted 200,000 Options, which were issued in accordance with the Option Plan, pursuant to the Reddy Consulting Agreement. The Reddy Consulting Agreement may be terminated by Mr. Reddy upon 30 days written notice, or by the Company with just cause. If the Reddy Consulting Agreement is terminated by (i) the Company without just cause, or (ii) by Mr. Reddy due to a material adverse change in his position or duties, a reduction by the Company by his monthly fee, or material breach of the Company which has not been cured within a reasonable time period following notice of such material breach, the Company must pay Mr. Reddy an amount equal to two (2) times the monthly fee in effect at the date of termination for each complete year of services provided by Mr. Reddy, with the calculation of the years of service beginning as of August 9, 2022. Mr. Reddy is not eligible for severance during his first six (6) months of service.

Mr. Milan Malhi entered into a consulting agreement with the Company dated May 1, 2022, as revised on September 1, 2022 (the “**MM Consulting Agreement**”). Pursuant to the MM Consulting Agreement, Mr. Milan Malhi has agreed to provide his services as a consultant to the Company at a remuneration of \$3,500 per month commencing on May 1, 2022. Mr. Milan Malhi may also be paid a bonus depending on his performance and the financial circumstances of the Company. Mr. Milan Malhi is also entitled to participate in the Company’s Option Plan. The MM Consulting Agreement may be terminated by Mr. Milan Malhi upon 30 days written notice, or by the Company with just cause. If the MM Consulting Agreement is terminated by (i) the Company without just cause, or (ii) by Mr. Milan Malhi due to a material adverse change in his position or duties, a reduction by the Company by his monthly fee, or material breach of the Company which has not been cured within a reasonable time period following notice of such material breach, the Company must pay Mr. Milan Malhi an amount equal to three (3) times the monthly fee in effect at the date of termination for each complete year of services provided by Mr. Milan Malhi.

Bonuses, if any, payable to Ms. Kanji, Mr. Reddy, and Mr. Milan Malhi are not tied to one or more performance criteria or goals. Rather, any bonuses paid pursuant to the Kanji Consulting Agreement, Reddy Consulting Agreement, or MM Consulting Agreement are determined by the Board which considers the following factors:

- the executives personal performance;
- the Company’s performance relatives to its goals and objectives; and
- the Company’s financial resources and ability to pay bonuses.

Any decisions made by the Board with respect to bonuses will be made by disinterested members of the Board. For instance, Mr. Reddy and Mr. Milan Malhi will not be included in the Board discussions and decisions pertaining to their respective bonuses, if any. Further, Mr. Kal Malhi will not be included in the

Board discussions and decisions pertaining to Mr. Milan Malhi's bonus, if any, as he is Mr. Milan Malhi's father.

Mr. Barker entered into a management agreement with the Company dated August 25, 2022, as amended on September 22, 2022 (the "**Barker Management Agreement**"). Pursuant to the Barker Management Agreement, Mr. Barker has agreed to provide his services as Director and Chair of the Audit Committee at a remuneration of USD\$1,500 per month commencing on August 25, 2022. Mr. Barker has also been granted 250,000 Options, which were issued in accordance with the Option Plan, pursuant to the Barker Management Agreement. Further, Mr. Barker is entitled to be reimbursed for reasonable travel and other incidental expenses incurred in performing his services under the Barker Management Agreement. The Barker Management Agreement may be terminated by Mr. Barker at any time by giving written notice to the Company.

Bullrun Capital Inc., an entity controlled by Kal Malhi, entered into a consulting agreement with the Company dated September 13, 2022 (the "**KM Consulting Agreement**"). Pursuant to the KM Consulting Agreement, Mr. Kal Malhi has agreed to provide his services as CEO of the Company at a remuneration of \$20,000 per month (the "Base Fee"). Mr. Kal Malhi is also entitled to receive a bonus equal to (i) \$150,000 upon the Company achieving a market capitalization of \$20,000,000 on the CSE or another recognized stock exchange, and (ii) \$250,000 upon the Company achieving a market capitalization of \$40,000,000 on the CSE or another recognized stock exchange. Mr. Kal Malhi is also entitled to participate in the Option Plan. The KM Consulting Agreement also includes certain termination provisions, as follows:

- the Company may terminate the KM Consulting Agreement summarily, without any notice or any repayment in lieu of just cause;
- Mr. Kal Malhi may terminate the KM Consulting Agreement at any time upon 30 days written notice;
- Mr. Kal Malhi may terminate the KM Consulting Agreement in the event of a change of control, in which case the Company will be required to pay Mr. Kal Malhi an amount equal to twenty-four (24) times the Base Fee (\$20,000) which would require the Company to pay Mr. Kal Malhi \$480,000; and
- if the Company terminates the KM Consulting Agreement other than for just cause or Mr. Kal Malhi terminates the KM Consulting Agreement for Good Reason, then the Company will be required to pay Mr. Kal Malhi an amount equal to six (6) times the Base Fee (\$20,000) for each complete year of service provided by Mr. Kal Malhi, with such years of service being calculated using a start date of March 13, 2023. For example, if the Company terminated the KM Consulting Agreement other than for just cause or Mr. Kal Malhi terminated the KM Consulting Agreement for Good Reason:
 - on March 13, 2024, the Company would be required to pay Mr. Kal Malhi \$120,000;
 - on March 13, 2025, the Company would be required to pay Mr. Kal Malhi \$240,000; or
 - on March 13, 2026, the Company would be required to pay Mr. Kal Malhi \$360,000;and so on for an indefinite period thereafter.

The KM Consulting Agreement defines "Good Reason" to mean the occurrence of any of the following without Mr. Kal Malhi's written consent:

- a material adverse change in Mr. Kal Malhi's position or duties,
- a reduction by the Company of Mr. Kal Malhi's Base Fee (\$20,000), or
- any material breach by the Company of any provision of the KM Consulting Agreement where the Company within a reasonable period of time after receipt of written notice of such breach fails to rectify the breach.

Oversight and description of director and NEO compensation

Due to the Company's early stage of development and limited financial resources, its directors and NEOs do not receive any cash compensation for their services, except as described above under "Director and NEO compensation, excluding compensation securities" and under "Employment, consulting and management agreements". The Company's only equity compensation mechanism is its Option Plan as described above under "Summary of Option Plan".

Pension Disclosure

The Company does not have any deferred compensation plan or pension plan in place that provides for payments or benefits at, following or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See disclosure under "Stock Options and Other Compensation Securities" under "Statement of Executive Compensation" above for disclosure on the Company's equity compensation regime.

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2023 and the date hereof, when there were 30,629,181 Common Shares outstanding. Accordingly, there was an aggregate maximum of 3,062,918 Common Shares available for exercise of Options pursuant to the Option Plan and 6,125,836 Common Shares available pursuant to the RSU Plan, when combined with any options outstanding under the Option Plan.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (Option Plan)	1,750,000	\$0.125	1,312,918
Equity compensation plans approved by securityholders - (RSU Plan)	Nil	N/A	4,375,836

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans not approved by securityholders -	N/A	N/A	Nil
Total	1,750,000	N/A	5,688,754

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company or have any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set forth below and as disclosed in Note 6 – Related Party Transactions in the Company’s audited financial statements for the year ended July 31, 2023, no informed person (a director, officer or holder of 10% or more of the Common Shares), nominee for election as a director of the Company, or any associate or affiliate of any informed person or proposed director had any 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 has materially affected or would materially affect the Company or any of its subsidiaries.

Kal Malhi has an interest in the property purchase agreement (the “**UMR Property Purchase Agreement**”) entered into among the Company, Utah Mineral Resources LLC (“**UMR**”), and Bullrun Capital Inc. (“**Bullrun**”) pursuant to which the Company purchased 112 claims (the “**UMR Claims**”) which form part of the Lucky Mica Project, as Bullrun is a company owned by Kal Malhi. Pursuant to the UMR Property Purchase Agreement the Company agreed (i) to make a cash payment in the aggregate sum of USD\$150,000 to Bullrun within twelve (12) months of April 21, 2022 (the payment of which was deferred until April 21, 2023), and (ii) to pay Bullrun a royalty equal to 3% of net smelter returns from the UMR Claims, following the commencement of commercial production on the UMR Claims. Further, of the 6,000,000 Common Shares issued by the Company pursuant to the UMR Property Purchase Agreement, 2,250,000 Common Shares were issued to immediate family members of Kal Malhi.

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Company for the year ended July 31, 2023 and in the related management’s discussion and analysis (together, the “**Financial Statements**”). Copies of the Financial Statements are available on www.sedarplus.ca and will be available at the Meeting.

Additional information relating to the Company is available as filed on www.sedarplus.ca and upon request from the Company’s Chief Executive Officer at suite 1500 – 1055 West Georgia St., Vancouver, BC

V6E 4N7. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

The contents of this Circular and its distribution to Shareholders have been approved by the Board.

APPROVED by the Board at Vancouver, British Columbia, this 14th day of December, 2023.

BY ORDER OF THE BOARD

“Kal Malhi”

Kal Malhi
Chief Executive Officer