

ELYSEE

DEVELOPMENT CORP.

NOTICE OF ANNUAL GENERAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD AT 10:00 a.m.
ON JULY 17, 2025
AT 2600 – 1066 WEST HASTINGS STREET
VANCOUVER, BRITISH COLUMBIA, V6E 3X1

**NOTICE OF ANNUAL GENERAL MEETING
OF THE SHAREHOLDERS OF ELYSEE DEVELOPMENT CORP.**

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of the shareholders of Elysee Development Corp. (hereinafter called the “**Company**”), will be held at the offices of MLT Aikins LLP at 2600 – 1066 West Hastings Street, in the City of Vancouver, Province of British Columbia, on the 17th day of July, 2025, at the hour of 10:00 a.m. (local time) for the purpose of:

1. receiving the auditor’s report and the audited financial statements of the Company for the fiscal year ended December 31, 2024;
2. fixing the number of Directors of the Company at four (4) and electing Directors for the ensuing year;
3. appointing Lancaster & David, Chartered Professional Accountants as the auditor of the Company for the ensuing year and authorizing the Directors to fix their remuneration; and
4. transacting such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information form in respect of the Meeting.

Your vote is important. Please exercise your right to vote by signing and returning the enclosed form of proxy to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Canada, M5J 2Y1. As described in the “Notice and Access” notification mailed to shareholders of the Company, the Company has opted to deliver its Meeting materials to shareholders by posting them on its website (www.elyseedevelopment.com). The Meeting materials will be available on the Company’s website on June 10, 2025 and will remain on the website for one year. The Meeting materials will also be available on SEDAR+ at www.sedarplus.ca on June 10, 2025. Shareholders who wish to receive paper copies of the Meeting materials may request copies by sending an email to info@elyseedevelopment.com or by phoning (778) 373-1562. For shareholders who wish to receive paper copies of the Circular in advance of the voting deadline, requests must be received no later than July 10, 2025.

Non-registered shareholders who receive this Notice and Circular from their broker or other intermediary should complete and return the proxy or voting instruction form in accordance with the instructions provided with it. Failure to do so may result in the shares of the non-registered shareholders not being eligible to be voted at the Meeting.

DATED at Vancouver, British Columbia, this 2nd day of June, 2025.

BY ORDER OF THE BOARD

“Guido Cloetens”

Guido Cloetens
President

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

The information contained in this Circular, unless otherwise indicated, is given as of June 2, 2025.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Circular and, if given or made, such information or representation should be considered or relied upon as not having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer of proxy solicitation. Neither the delivery of this Circular nor any distribution of securities referred to herein shall, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Circular.

Information contained in this Circular should not be construed as legal, tax or financial advice. Shareholders are urged to consult their own professional advisors in connection with the matters considered in this Circular.

CURRENCY

Unless otherwise indicated herein, references to "\$", "C\$" or "Canadian dollars" are to Canadian dollars.

GENERAL PROXY INFORMATION

This Information Circular is provided in connection with the solicitation of proxies by the management of Elysee Development Corp. for use at the annual general meeting of the shareholders of the Company to be held on July 17, 2025, at the time and place and for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy.

APPOINTMENT AND REVOCATION OF PROXY

Registered Shareholders

Registered shareholders may vote their common shares in the capital of the Company (the "Common Shares") by attending the Meeting in person or by completing the enclosed proxy. Registered shareholders should deliver their completed proxies to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1 or by facsimile at 1-866-249-7775 or (416) 263-9524 (by mail, telephone or internet according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the proxy are directors and officers of the Company and are proxyholders nominated by management. **A shareholder has the right to appoint a person other than the nominees of management named in the enclosed instrument of proxy to represent the shareholder at the Meeting. To exercise this right, a shareholder must insert the name of**

its nominee in the blank space provided. A person appointed as a proxyholder need not be a shareholder of the Company.

A registered shareholder may revoke a proxy by:

- (a) signing a proxy with a later date and delivering it at the place and within the time noted above;
- (b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and delivering it to the head office of the Company, 9th Floor, 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof;
- (c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked; or
- (d) in any other manner provided by law.

Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name. Shareholders holding their shares through banks, trust companies, securities dealers or brokers, trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans or other persons (any one of which is herein referred to as an "Intermediary") or otherwise not in their own name (such shareholders herein referred to as "Beneficial Shareholders") should note that only proxies deposited by shareholders appearing on the records maintained by the Company's transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder's shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those shares are **not** registered in the shareholder's name and that shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the shareholder's broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "**NOBOs**") or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has distributed, in accordance with the “notice and access” rules, the notice of meeting, this Information Circular and a request for voting instructions (a “**VIF**”), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the “**Meeting Materials**”) indirectly through Intermediaries to the NOBOs and OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs. The Company does not intend to pay for Intermediaries to forward the Meeting Materials to OBOs. OBOs will not receive the Meeting Materials unless their Intermediary assumes the cost of delivery.

Meeting Materials distributed to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder’s shares on the Beneficial Shareholder’s behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote Common Shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company’s shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company’s securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf)

has assumed responsibility for (i) delivering the Meeting Materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

NOTICE AND ACCESS

The Company has decided to deliver its meeting materials to shareholders by posting them on its website at www.elyseedevelopment.com in accordance with the “notice and access” rules. The meeting materials will be available on the Company’s website on June 10, 2025 and will remain on the website for one year. The Circular will also be available on the System for Electronic Document Analysis and Retrieval Plus (“**SEDAR+**”) at www.sedarplus.ca on June 10, 2025.

The Company has decided to mail paper copies of the Circular to those registered and non-registered shareholders who had previously elected to receive paper copies of the Company’s meeting materials. All other shareholders will receive a “Notice and Access” notification which will contain information on how to obtain electronic and paper copies of the Circular in advance of the Meeting and for one year following the Meeting.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

If a shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by proxy will be voted or withheld from voting by the proxy holder in accordance with those instructions on any ballot that may be called for. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the Meeting as stated under the headings in the notice of meeting accompanying this Information Circular. If any amendments or variations to such matters, or any other matters, are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instrument of proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority, a shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Information Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) each proposed nominee for election as a director of the Company; and
- (c) each associate or affiliate of any of the foregoing.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares in the capital of the Company. On June 2, 2025 (the "**Record Date**"), the Company had 28,283,113 Common Shares outstanding and no preferred shares outstanding. All Common Shares in the capital of the Company are of the same class and each carries the right to one vote. Only those shareholders of record on the Record Date are entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, no person is the registered holder of 10% or more of the Common Shares. To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular no person beneficially owns, directly or indirectly, or exercise control or direction over 10% or more of the Common Shares, other than Guido Cloetens who is the beneficial owner of 4,415,500 Common Shares representing 15.61% of the issued and outstanding Common Shares.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and Named Executive Officer Compensation Excluding Compensation Securities

Named Executive Officers

Set out below are particulars of compensation paid to the following persons (the "**Named Executive Officers**" or "**NEOs**"):

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer ("**CEO**");
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer ("**CFO**");
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with applicable securities rules, for that financial year; and

- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the year ended December 31, 2024, the Company had two (2) NEOs, being Guido Cloetens (CEO and President), and Gordon Steblin (CFO).

Table of Compensation Excluding Compensation Securities

The following table sets out compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each applicable NEO and director, in any capacity, for each of the Company's financial years ended December 31, 2024 and 2023.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Guido Cloetens CEO, President and former Chairman	2024	120,000 ⁽²⁾	25,000 ⁽⁶⁾	Nil	Nil	Nil	145,000
	2023	124,500 ⁽²⁾	Nil	Nil	Nil	Nil	124,500
Stuart Rogers ⁽¹⁾ Former President	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	12,000 ⁽³⁾	Nil	Nil	Nil	Nil	12,000
Gord Steblin CFO	2024	69,300 ⁽⁴⁾	Nil	Nil	Nil	Nil	69,300
	2023	68,475 ⁽⁴⁾	Nil	Nil	Nil	Nil	68,475
Martin Burian Director	2024	6,300	Nil	Nil	Nil	Nil	6,300
	2023	6,225	Nil	Nil	Nil	Nil	6,225
Gaston J. Reymenants Director	2024	6,300	Nil	Nil	Nil	Nil	6,300
	2023	6,225	Nil	Nil	Nil	Nil	6,225
Thibaut Lepouttre Director ⁽⁵⁾	2024	6,300	Nil	Nil	Nil	Nil	6,300
	2023	4,725	Nil	Nil	Nil	Nil	4,725

Note:

- (1) Mr. Rogers resigned as the Company's President and Mr. Cloetens became President on March 31, 2023.
(2) Management fees and bonuses paid to a company controlled by Mr. Cloetens.
(3) Management fees paid to a company controlled by Mr. Rogers.
(4) Fees and bonuses paid to a company controlled by Mr. Steblin.

- (5) Mr. Lepouttre was appointed as a director of the Company on April 1, 2023,
(6) Performance bonus.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Stock Options and Other Compensation Securities

The table below sets forth all compensation securities that were granted or issued to any NEO or director by the Company as at the Company's financial year ended December 31, 2024, for services provided or to be provided, directly or indirectly to the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Guido Cloetens <i>CEO, President and former Chairman</i>	RSUs	40,000 ⁽¹⁾	July 15, 2024	n/a	\$0.29	\$0.30	July 15, 2027
Gord Steblin <i>CFO</i>	RSUs	40,000 ⁽¹⁾	July 15, 2024	n/a	\$0.29	\$0.30	July 15, 2027
Martin Burian <i>Director</i>	RSUs	20,000 ⁽¹⁾	July 15, 2024	n/a	\$0.29	\$0.30	July 15, 2027
Gaston J. Reymenants <i>Director</i>	RSUs	20,000 ⁽¹⁾	July 15, 2024	n/a	\$0.29	\$0.30	July 15, 2027
Thibaut Lepouttre <i>Director</i>	RSUs	20,000 ⁽¹⁾	July 15, 2024	n/a	\$0.29	\$0.30	July 15, 2027

Notes:

- (1) On July 15, 2024, the Company granted RSUs to directors and officers with a calculated value at \$0.29 per RSU. The RSUs vest annually in three equal tranches over a period of three years with 33% vesting on July 15, 2025, 33% vesting on July 15, 2026 and 34% vesting on July 15, 2027.

Other than as described herein, no compensation security had been repriced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the Company's financial year ended December 31, 2024.

Other than as described herein, there are no restrictions or conditions for converting, exercising, or exchanging the compensation securities.

No NEO or director of the Company exercised any compensation securities during the financial year ended December 31, 2024.

Stock Option Plans and Other Incentive Plans

On October 6, 2022, the Board adopted an omnibus equity incentive plan (the “**Equity Incentive Plan**”), which was approved by the shareholders of the Company on November 23, 2022, under which incentive stock options (“**Options**”), restricted share units (“**RSUs**”), deferred share units (“**DSUs**”), performance share units (“**PSUs**”) and stock appreciation rights (“**SARs**”, which together may be referred to as “**Awards**”) are granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Equity Plan; determines the number of Awards granted to such individuals; and determines the date on which each Award is granted and the corresponding terms of such Award. The Board makes these determinations subject to the provisions of the Equity Plan and, where applicable, the policies of the Exchange.

The full text of the Equity Incentive Plan is attached thereto as Schedule “C” to the Company’s Management Information Circular in connection with its annual general and special meeting of shareholders held on November 23, 2022, which can be found under the Company’s profile on the SEDAR+ website at www.sedarplus.ca.

The following information is intended as a brief description of the Equity Incentive Plan and is qualified in its entirety by the full text of the Equity Incentive Plan.

Shares Subject to the Equity Incentive Plan

The Equity Incentive Plan is a “fixed” plan in that, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), it provides that the aggregate maximum number of Common Shares that may be reserved for issuance under the Equity Incentive Plan (together with any other security based compensation plans of the Company in place from time to time), at any time, shall not exceed 5,699,422, being twenty percent (20%) of the Company’s issued and outstanding Common Shares as of October 6, 2022 (the effective date of the Equity Incentive Plan), (the “**Reserved Shares**”).

Insider Participation Limit

The Equity Incentive Plan provides that for so long as the Common Shares are listed and posted for trading on the Exchange, unless the Company has obtained disinterested shareholder approval, the aggregate number of Common Shares (a) issuable to Insiders (as defined in the Equity Incentive Plan) at any time (under all of the Company’s security-based compensation arrangements) cannot exceed ten (10%) percent of the Company’s issued and outstanding Common Shares, and (b) issued to Insiders within any one-year period (under all of the Company’s security-based compensation arrangements) cannot exceed ten (10%) percent of the Company’s issued and outstanding Common Shares.

Furthermore, the Equity Incentive Plan provides that for so long as the Common Shares are listed and posted for trading on the Exchange, (a) not more than two (2%) percent of the Company’s issued and outstanding Common Shares may be granted to any one consultant in any 12 month

period, (b) investor relations service providers may not receive any awards other than options, (c) not more than an aggregate of two (2%) percent of the Company's issued and outstanding Common Shares may be granted in aggregate pursuant to options to investor relations service providers in any 12 month period, (d) unless the Company has obtained disinterested shareholder approval, not more than five (5%) percent of the Company's issued and outstanding Common Shares may be issued to any one person in any 12 month period and (e) unless the Company has obtained disinterested shareholder approval, the Company shall not decrease the exercise price or extend the term of options previously granted to Insiders.

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

Administration of the Equity Incentive Plan

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

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

Eligibility

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

Types of Awards

Awards of Options, RSUs, PSUs, DSUs and SARs may be made under the Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law and the policies of the Exchange (as and if applicable), the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

Options

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

An exercise notice must be accompanied by payment of the exercise price. To the extent permitted by and otherwise subject to the rules and policies of the Exchange, a participant may, in lieu of exercising an option pursuant to an exercise notice, elect to surrender such option to the Company (a “**Net Exercise**”) in consideration for an amount from the Company equal to (i) the Market Price (as defined in the Equity Incentive Plan) of the Common Shares issuable on the exercise of such option (or portion thereof) as of the date such option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the option (or portion thereof) surrendered relating to such Common Shares (the “**In-the-Money Amount**”) by written notice to the Company indicating the number of options such participant wishes to exercise using the Net Exercise, and such other information that the Company may require. Subject to the provisions of the Equity Incentive Plan, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having an aggregate fair market value (based on the Market Price on the date of exercise) equal to the In-the-Money Amount. Any options surrendered in connection with a Net Exercise will not be added back to the number of Common Shares reserved for issuance under the Equity Incentive Plan.

Restricted Share Units

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

The number of RSUs (including fractional RSUs) granted at any particular time under the Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs (including the elected amount, as applicable), as determined by the Plan Administrator, by (b) the greater of (i) the Discounted Market Price of a Common Share on the date of grant, or and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of Code, to

the extent applicable, and further provided that, for so long as the Common Shares are listed and posted for trading on the Exchange, no RSUs may vest before the date that is one year following the date of grant.

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

Performance Share Units

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

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

Deferred Share Units

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

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that, for so long as the Common Shares are listed and posted for trading on the Exchange, no DSUs may vest before the date that is one year following the date of grant. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation elected to be paid by the issuance of DSUs that are paid in DSUs, by (b) the Market Price of a Common Share on the date of grant or, for so long as the Shares are listed and posted for trading on the Exchange, the Discounted Market Price of a Share on the date of grant. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested DSU, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator in its sole discretion. Any cash payments made under the Equity Incentive Plan by the Company to a participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date.

Stock Appreciation Rights

A stock appreciation right is a right of a recipient to be paid compensation equivalent to an appreciation in the value of the Common Shares over a certain period of time. SARs entitle the holder to receive, Common Shares (or, at the election of the holder and subject to the approval of the Plan Administrator, a cash amount in respect thereof) in an amount equal to the difference in the fair market value of the Common Shares at the time of grant of such SARs and the Market Price of the Common Shares at a future date.

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of SARs, provided that, for so long as the Common Shares are listed and posted for trading on the Exchange, no SARs may vest before the date that is one year following the date of grant. Upon vesting and at the time of settlement of SARs, holders of SARs shall be entitled to (a) a number of fully paid and non-assessable Common Shares, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator in its sole discretion, in each case, in an aggregate amount equal to the Market Price of the Common Shares at the time of settlement of the SARs minus the fair market value of the Common Shares as determined by the Plan Administrator at the time of grant, provided that such fair market value shall not be less than the minimum price permitted by applicable laws and the policies of the Exchange. For avoidance of doubt, any cash payments made under the Equity Incentive Plan by the Company to a participant in respect of SARs to be redeemed for cash shall be calculated by multiplying the number of SARs to be redeemed for cash by the difference between the Market Price per Common Share as at the settlement date and the fair market value in respect of such SAR (as further described above) at the time of grant of such SAR.

Dividend Equivalents

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

of available Common Shares under the Equity Incentive Plan to grant such dividend equivalents, the Company shall make such dividend payment in cash.

Black-out Periods

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

Term

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

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, consulting agreement, award agreement or other written agreement and subject to applicable employment standards legislation or regulations applicable to the participant's employment or other engagement with the Company or any of its subsidiaries:

Event	Provisions
Resignation	<ul style="list-style-type: none"> Any unvested awards held that have not been exercised, settled or surrendered as of the Termination Date (as defined in the Equity Incentive Plan) shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Termination without Cause	<ul style="list-style-type: none"> Any vested awards may, subject to the terms of the Equity Incentive Plan be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Termination for Cause	<ul style="list-style-type: none"> Any vested and unvested awards held that have not been exercised, settled or surrendered as of the Termination Date (as defined in the Equity Incentive Plan) shall be immediately forfeited and cancelled for no

Event	Provisions
	consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Disability	<ul style="list-style-type: none"> Any award held by the participant that has not vested as of the date of the Disability (as defined in the Equity Incentive Plan) shall continue to vest in accordance with its terms for a period of up to twelve (12) months (or such shorter period as may be determined by the Plan Administrator) and, if any such awards vest, shall be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the first anniversary of the date of the participant's disability, provided that with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the date of the participant's disability, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Death	<ul style="list-style-type: none"> Any award held by the participant that has not vested as of the date of the death of such participant shall vest on such date and may, subject to the terms of the Equity Incentive Plan, be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the first anniversary of the date of the death of that participant, provided that with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the date of death of such participant, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Retirement	<ul style="list-style-type: none"> Any award held by the participant that has not vested as of the date of Retirement (as defined in the Equity Incentive Plan) shall continue to vest in accordance with its terms for a period of up to twelve (12) months (or such shorter period as may be determined by the Plan Administrator) and, if any such awards vest, shall be exercised, settled or surrendered by the Company to the participant provided that (a) with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance; and (b) for so long as the Common Shares are listed and posted for trading on the Exchange, any such award shall expire within a

Event	Provisions
	<p>reasonable period, not exceeding twelve (12) months from the Termination Date, following which the participant shall not be entitled to any damages or other amounts in respect of such expired awards.</p> <ul style="list-style-type: none"> • Notwithstanding the foregoing, if, following his or her Retirement, the participant breaches the terms of any restrictive covenant in the participant's written or other applicable employment or other agreement with the Company or a subsidiary of the Company, any award held by the participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.

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

Change in Control

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

- If within 12 months following the completion of a transaction resulting in a Change in Control (as defined in the Equity Incentive Plan), a participant's employment, consultancy or directorship is terminated without Cause (as defined in the Equity Incentive Plan) or the participant resigns with Good Reason (as defined in the Equity Incentive Plan):
 - a portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the Termination Date multiplied by a fraction, the numerator of which is the number of days between the date of grant and the Termination Date and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest, which vested awards may be exercised, settled or surrendered to the Company by such participant at any time during the period that terminates on the earlier of: (A) the expiration date of such award; and (B) the date that is 90 days after the Termination Date, provided that with respect to any PSU held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance, with any award that has not been exercised, settled or surrendered at the end of such

period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards; and

- any vested awards may, subject to the terms of the Equity Incentive Plan, be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (A) the expiration date of such award; and (B) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
- Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the Exchange or any other exchange, the Company may terminate all of the awards, other than an option held by a Canadian Taxpayer (as defined in the Equity Incentive Plan) for the purposes of the Tax Act, granted under the Equity Incentive Plan at the time of, and subject to the completion of, the Change in Control transaction by paying to each holder an amount equal to the fair market value of his or her respective award (as determined by the Plan Administrator, acting reasonably) at or within a reasonable period of time following completion of such Change in Control transaction.

Non-Transferability of Awards

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

Amendments to the Equity Incentive Plan

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

Notwithstanding the above, and subject to the rules of the Exchange, the approval of shareholders and/or disinterested shareholders may be required to effect any of the following amendments to the Equity Incentive Plan:

- (a) increasing the percentage of the Company's issued and outstanding Common Shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;

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

Except for the items listed above, amendments to the Equity Incentive Plan will not require shareholder approval except as may be required by the policies of the Exchange. Such amendments include (but are not limited to): (a) making such amendments to clarify existing provisions of the Equity Incentive Plan that do not have the effect of altering the scope, nature and intent of the provisions of the Equity Incentive Plan; and (b) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

Previous grants of Awards are taken into account when considering new grants.

There were no values vested with respect to option-based awards and share-based awards for each NEO or director of the Company during the most recently completed financial year:

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

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)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	1,990,000	\$0.55	3,709,422

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)) (c)
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,990,000	\$0.55	3,709,422

Note:

(1) The Equity Plan is a fixed 20% plan.

Employment, Consulting and Management Agreements

During the financial year ended December 31, 2024, the Company did not enter into management contracts with any director, officer, employee or consultant and no management function of the Company or its subsidiaries were performed by a person other than the directors and officers of the Company and its subsidiaries.

Oversight and Description of Director and NEO Compensation

Compensation Program Objectives

The objectives of the Company's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Company's continued success;
- to align the interests of the Company's executives with the interests of the Company's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company is in the early stages of its business as an investment issuer and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

Purpose of the Compensation Program

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

Elements of Compensation Program

The executive compensation program consists of a combination of consulting fees, performance bonus and equity-based incentives.

Purpose of Each Element of the Executive Compensation Program

The consulting fees of a NEO are intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed consulting fee, each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Bonuses are made by way of cash payments only, which payments are made at the end of the fiscal year.

Equity-based Awards (as defined herein) are generally awarded to NEOs on an annual basis based on performance measured against set objectives. The granting of Awards aligns NEOs' rewards with an increase in shareholder value over the long term. The use of Awards encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments.

Determination of the Amount of Each Element of the Executive Compensation Program, Compensation Risk and Compensation Governance

Compensation of the NEOs of the Company is reviewed annually by the Board, which approves the compensation of the NEOs. The Company does not presently have a compensation committee and the Company has not retained any compensation advisor or compensation consultant in respect of its compensation policies.

From time to time and at least once annually, the Board reviews the risks, if any, associated with the Company's compensation policies and practices at such time. Such a review occurred at the time of preparation of this Compensation Discussion & Analysis. Implicit in the Board's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

The majority of the Company's executive compensation currently consists of Awards, including Options, RSUs, DSUs, PSUs and SARs granted under the Equity Plan (as defined herein). As of the date of the most recent financial year-end, only Options are outstanding. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, 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 limited.

The other two elements of compensation, consulting fees and performance bonuses, represent the remaining portion of an executive's total compensation. While neither salary nor bonus are "long term" or "at risk", as noted above, these components of compensation are not at a level of total compensation whereby an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board are able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from

the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

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

Compensation of the NEOs of the Company is reviewed annually by the Board, which approves the compensation of the NEOs.

Consulting Fees

Consulting fees for NEOs are expected to continue to be set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions. In setting base compensation levels, consideration is to be given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also to be considered. The Company has not established performance goals for its NEOs.

Performance Bonuses

Each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Bonuses may be made by way of cash payments or the issuance of (performance) shares, which payments are made at the end of the fiscal year.

Equity Incentive Awards

The Company approved the Omnibus Equity Incentive Plan (the "**Equity Plan**") on October 6, 2022 under which incentive stock options ("**Options**"), restricted share units ("**RSUs**"), deferred share units ("**DSUs**"), performance share units ("**PSUs**") and stock appreciation rights ("**SARs**", which together may be referred to as "**Awards**") are granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Equity Plan; determines the number of Awards granted to such individuals; and determines the date on which each Award is granted and the corresponding terms of such Award. The Board makes these determinations subject to the provisions of the Equity Plan and, where applicable, the policies of the Exchange.

Previous grants of Awards are taken into account when considering new grants.

Link to Overall Compensation Objectives

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program. The granting of Awards has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Pension Disclosure

The Company does not have any pension or retirement plan which is applicable to the NEOs or directors.

CORPORATE GOVERNANCE

Board of Directors

At the Meeting, shareholders will be asked to approve an ordinary resolution setting the number of directors of the Board at four (4) directors, three (3) of whom will be independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set out in section 1.4 of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”). A director is independent if he has no direct or indirect material relationship to the Company. A “material relationship” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director’s independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Gaston J. Reymanants, Martin Burian and Thibaut Lepouttre will be considered to be independent directors. Guido Cloetens is not considered to be independent of his beneficial ownership of more than 10% of the Common Shares issued and outstanding and as he is management of the Company.

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the Board’s responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. Directors are involved in the supervision of management.

Pursuant to the *Business Corporations Act* (Alberta), directors must declare any interest in a material contract or transaction or a proposed material contract or transaction. Further, the independent members of the Board of Directors meet independently of management members when warranted. During the most recently completed financial year, the Board of Directors met five (5) times and all members of the Board were in attendance at each meeting. The independent directors met once (1) without the non-independent members of the Board in attendance.

Other Directorships

The proposed directors of the Company are also directors of the following other reporting issuers:

Current Director / Nominee	Other Directorships of other Reporting Issuers
Guido Cloetens	Edgemont Gold Corp.
Martin Burian	Nanalysis Scientific Corp. Argentina Lithium & Energy Corp. Blue Sky Uranium Corp.
Gaston J. Reymanants	Global Energy Metals Corporation

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for directors. However, if and when new directors are added, they have the opportunity to become familiar with the Company by meeting with other directors and with officers and employees of the Company. As each director has a different skill set and professional background, orientation and training activities are and will continue to be tailored to the particular needs and experience of each

director. The Company's financial and legal advisers are also available to the Company's directors.

Nomination of Directors

The Company does not have a formal process or committee for proposing new nominees for election to the Board of Directors. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members.

Compensation

The Board has not established a Compensation Committee. The Board as a whole is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling its responsibilities, the Board evaluates the performance of the Chief Executive Officer and other senior management in light of corporate goals and objectives and makes recommendations with respect to compensation levels based on such evaluations.

Other Board Committees

The Board has not established any committees other than the Audit Committee.

Assessments

There is no formal committee with the responsibility for assessing the effectiveness of the Board of Directors as a whole. The Board as a group regularly reviews its performance and assesses the effectiveness of the Board as a whole.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

General

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management that the Board have established.

Audit Committee Charter

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is attached as Schedule "A" to this Information Circular.

Composition

As the Common Shares are listed on the Exchange, it is categorized as a venture issuer. As a result, the Company is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) of NI 52-110.

Following the Meeting, the Audit Committee is expected to consist of the following three (3) directors. Also indicated is whether they are “independent” and “financially literate”.

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Martin Burian	Yes	Yes
Guido Cloetens	No	Yes
Thibaut Lepouttre	Yes	Yes

Notes:

- (1) A member of the Audit Committee is independent if the member has no direct or indirect “material relationship” with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. An executive officer of the Company, such as the President, is deemed to have a material relationship with the Company.
- (2) A member of the Audit Committee is financially literate if he 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 Company’s financial statements.

Relevant Education and Experience

All of the members and proposed members of the Audit Committee have gained their education and experience by participating in the management of private and publicly traded companies and all members are “financially literate”, meaning that they have 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 be reasonably expected to be raised by the Company’s financial statements. The education, current and past experience of each Audit Committee member and proposed member that is relevant to the performance of his responsibilities as an Audit Committee member is summarized below:

Name	Education and Experience
Martin Burian	Mr. Burian holds ICD.D (Institute of Corporate Directors), and Chartered Professional Accountant designations. He has a 30-year career in investment banking, is currently Managing Director at RCI Capital Group and held similar senior positions at Haywood Securities, Bolder Investment Partners and Canaccord Capital. Mr. Burian is an independent member of several other public company boards as well as privately-held Heffel Gallery Limited where he is also part-time CFO.
Guido Cloetens	He is a certified investment advisor (EHSAL Brussels) with a degree in corporate finance, investment and financial statement analysis. Mr. Cloetens has over 30 years of experience in wealth management and institutional investing.
Thibaut Lepouttre	Mr. Lepouttre graduated from the University of Leuven with a Bachelor of Laws degree and two Master’s degrees in economics. He is the founder of Caesars Report, the first English language website in Continental Europe focused on mining and commodities. He has served as a Technical Advisor to Elysee since May 2022.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services; however, as provided for in NI 52-110 the Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

External Auditor Service Fees (By Category)

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees⁽³⁾	All Other Fees ⁽⁴⁾	Total Fees
December 31, 2024	\$60,000	Nil	Nil	Nil	\$60,000
December 31, 2023	\$55,000	Nil	Nil	Nil	\$55,000
December 31, 2022	\$50,000	Nil	Nil	Nil	\$50,000

Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

Pursuant to section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110 because it is a venture issuer.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or executive officers of the Company or any subsidiary thereof, has more than "routine indebtedness" to the Company or any subsidiary thereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Unless otherwise disclosed herein, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's most recently completed financial year, which has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed by the Company during the course of the year or as disclosed herein.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

The board of directors of the Company (the “**Board**”) currently consists of four (4) directors, all of whom are elected annually. The term of office for each of the present directors of the Company expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting, for the ensuing year, be fixed at four (4).

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected. The management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. **In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted FOR the nominees listed in this Information Circular.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual Meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles or By-Laws of the Company.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of Common Shares and its subsidiaries which each beneficially owns directly or indirectly or over which control or direction is exercised as of the date of the notice of meeting:

Name, jurisdiction of residence and office held	Principal occupation in the last five years	Director since	Number of Common Shares beneficially owned
Guido Cloetens⁽¹⁾ Belgium <i>Chief Executive Officer, President and Director</i>	President of La Vérité BV since 1999; CEO of Lucato BV since January 2016.	July 10, 2012	4,415,500 shares (102,000 held directly and 4,313,500 held indirectly by Lucato BV)
Martin Burian, CPA, ICD.D⁽¹⁾ Vancouver, British Columbia <i>Non-executive Chairman and Director</i>	Managing Director, Investment Banking at RCI Capital Group Inc. and part-time CFO of Heffel Gallery Limited	June 12, 2013	572,000 shares
Gaston J. Reymenants Belgium <i>Director</i>	Mining Executive; a director (since January 2016) of Global Energy Metals Corp.; a director (from October 2010 to November 2020) of B&W Engineering gcv, a director (from January 2016 to April 2018) of InCor Technologies Ltd.	July 7, 2017	290,000 shares

Name, jurisdiction of residence and office held	Principal occupation in the last five years	Director since	Number of Common Shares beneficially owned
Thibaut Lepouttre⁽¹⁾ Belgium <i>Director</i>	Managing Director of Caesar Holdings BVBA since 2012, Managing Director of Pertinax Capital BV since 2013	April 1, 2023	147,000 (47,000 held directly and 100,000 held indirectly by Pertinax Capital BV)

Note:

(1) Member of the Company's Audit Committee

The above information, including information as to Common Shares beneficially owned, has been provided by the respective directors individually.

Biographies of Directors

Guido Cloetens, *Chief Executive Officer, President and Director* – Guido Cloetens is a certified investment advisor with a degree in Corporate Finance, Investment and Financial Statement Analysis. Mr. Cloetens worked in the banking industry from 1988 until 2012 as an investment advisor for institutional investors, family offices and wealthy individuals. Mr. Cloetens manages and has interests in several privately held companies in Europe and in North America and is a director of Edgemont Gold Corp. He was the Chairman of the Company from July 2012 to March 2023.

Martin Burian, *Non-executive Chairman and Director* – Mr. Burian has over 29 years of investment banking experience and was Managing Director, Investment Banking at Haywood Securities Inc. from 2010 until May 2013, prior to which he served as President of Bolder Investment Partners from 2009 until its merger with Haywood Securities in 2010. Mr. Burian obtained his Chartered Accountant and Chartered Business Valuator professional designations while at KPMG LLP where he advised on mergers, acquisitions and divestitures. Mr. Burian is now a director of three companies listed on the Exchange. He is also Managing Director of Investment Banking of RCI Capital Group Inc. a boutique mining focused advisory firm, and also acts as part-time CFO of Heffel Gallery Limited. He was appointed Non-executive Chairman of the Company in March 2023.

Gaston J. Reymenants, *Director* - Mr. Reymenants graduated from the Universities of Brussels, Leuven and Antwerp in Economics, Industrial Marketing, International Law, and Foreign Languages. Mr. Reymenants has had a distinguished career in mining, smelting, refining and metal trading spanning over 48 years, during which he was also responsible for the financing of several off-take projects in Australia, China and the Americas. Mr. Reymenants worked for over 20 years with Falconbridge International (now Glencore) in various managerial positions. Mr. Reymenants was the Managing Director of Kola International Murmansk, and held director and/or senior managerial positions with several companies with base metals, cobalt and gold and platinum metals assets, including Baja Mining, Polymet Mining, Candente Resources Peru, and Caledonia Mining – Nama Project Zambia. Currently, Mr. Reymenants is a non-executive director of Global Energy Metals Corp.

Thibaut Lepouttre, *Director* – Mr. Lepouttre has been involved in researching and analyzing mining companies since 2008 when he founded Caesars Report, the first English language website in Continental Europe focused on mining. He has served as a Technical Advisor to Elysee since May 2022.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (i) was the subject:
 - (A) of a cease trade order;
 - (B) an order similar to a cease trade order; or
 - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days,

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

after the proposed director was acting in the capacity as director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) 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 securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be

likely to be considered important to a reasonable investor making an investment decision.

Appointment of Auditor

The management of the Company intends to nominate Lancaster & David, Chartered Professional Accountants of Vancouver, British Columbia for appointment as auditors of the Company. **Forms of proxy given pursuant to the solicitation of the management of the Company, will, on any poll, be voted as directed and, if there is no direction, be voted FOR the appointment of Lancaster & David, Chartered Professional Accountants of Vancouver, British Columbia at a remuneration to be fixed by the directors.** Effective October 6, 2022, Lancaster & David, Chartered Professional Accountants was appointed the Company's auditor by the Board.

OTHER MATTERS

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment.

NORMAL COURSE ISSUER BID

With the approval of the TSXV, the Company commenced a normal course issuer bid (the "**Bid**") on May 13, 2025 which will terminate on May 12, 2026 or such earlier time as the Bid is completed or at the option of the Company. Under the Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,411,751 of its issued and outstanding Shares. The Bid will be conducted in accordance with applicable securities laws and the policies of the TSXV. During the year ended December 31, 2024, the Company purchased 263,500 Shares pursuant to the Bid at a weighted average price of \$0.27 per Share. Further purchases may be made on the open market through the facilities of the Exchange. Research Capital Corp. of Vancouver, British Columbia is conducting the Bid on behalf of the Company. The price which the Company will pay for any Common Shares purchased by it will be the prevailing market price of such Common Shares on the TSXV at the time of such purchase. During the previous 12 months, the Company purchased 130,000 of its Shares pursuant to a normal course issuer bid which expired on May 12, 2025 at a weighted average price per Share of \$0.2827.

Shareholders may obtain, without charge, a copy of the "Notice of Intention to Make a Normal Course Issuer Bid" filed by the Company with the Exchange by contacting the Company as shown under "Additional Information" below.

ADDITIONAL INFORMATION

Additional information on the Company is available on the internet on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Company's financial statements and management discussion and analysis which are available on SEDAR+. The audited financial statements for the year ending December 31, 2024 together with the auditor's report will be presented at the Meeting. You may request copies of the Company's financial statements and

management discussion and analysis by completing the request card included with this Information Circular, in accordance to the instructions therein.

DATED as of June 2, 2025.

BY THE MANAGEMENT OF
ELYSEE DEVELOPMENT CORP.

“Guido Cloetens”

Guido Cloetens
President

Schedule A

**ELYSEE DEVELOPMENT CORP.
(the “Company”)**

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 (the “Instrument”))

A. Composition and Process

1. The Audit Committee shall be composed of a minimum of three members of the Board of Directors, a majority of whom are not officers or employees of the Company or any of its affiliates (as defined in the Business Corporations Act (Alberta)).
2. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The Chairperson shall be appointed by the Board of Directors for a one-year term, and may serve any number of consecutive terms.
4. All members of the Audit Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Company’s financial statements.
5. The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
6. The Audit Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Audit Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference if this is deemed appropriate.
7. The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.
8. The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities legislation and policies.
9. The Audit Committee enquires about potential claims, assessments and other contingent liabilities.

10. The Audit Committee periodically reviews with management, depreciation and amortization, policies, loss provisions and other accounting policies for appropriateness and consistency.
11. The charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis.

B. Authority

1. Appointed by the Board of Directors pursuant to provisions of the *Business Corporations Act* (Alberta) and the bylaws of the Company.
2. Primary responsibility for the Company's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.
3. In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
4. The Audit Committee shall have direct communication channels with the internal auditor (if any) and the external auditor to discuss and review specific issues, as appropriate.
5. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
6. The Audit Committee shall establish the compensation to be paid to any advisors employed by the Audit Committee and such compensation shall be paid by the Company as directed by the Audit Committee.

C. Relationship with External Auditors

1. An external auditor must report directly to the Audit Committee.
2. The Audit Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. The Audit Committee is responsible for recommending to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issue and for determining the compensation of the external auditor.
4. The Audit Committee shall implement Structures and procedures to ensure that it meets with the external auditor on at least annually in the absence of management.

D. Accounting Systems, Internal Controls and Procedures

1. Obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Company and its subsidiaries and affiliates.
2. The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and will periodically assess the adequacy of those procedures.
3. Direct the external auditor's examinations to particular areas.
4. Review control weaknesses identified by the external auditor, together with management's response.
5. Review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.
6. In order to preserve the independence of the external auditor the Audit Committee will:
 - a) recommend to the Board of Directors the external auditor to be nominated; and
 - b) recommend to the Board of Directors the compensation of the external auditor's engagement.
7. The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.
8. Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
9. The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Company.
10. The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
11. The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor has entered into a participation agreement and has not had its participant status terminated, or, if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("CPAB") bylaws and is in compliance with any restriction or sanction imposed by the CPAB.

E. Statutory and Regulatory Responsibilities

1. Annual Financial Information - review the annual audited financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.
2. Annual Report - review the management discussion and analysis (“**MD & A**”) section and all other relevant sections of the annual report to ensure consistency of all financial information included in the annual report.
3. Interim Financial Statements - review the quarterly interim financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors.
4. Earnings Guidance/Forecasts - review forecasted financial information and forward looking statements.
5. Review the Company’s financial statements, MD & A and earnings press releases before the Company publicly discloses this information.

F. Reporting

1. Report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.
2. Report annually to the Board of Directors on the Audit Committee’s responsibilities and how it has discharged them.
3. Review the Audit Committee’s Charter annually and recommend the approval of any proposed amendments to the Board of Directors.

G. Other Responsibilities

- (a) Investigating fraud, illegal acts or conflicts of interest.
- (b) Discussing selected issues with corporate counsel or the external auditor or management.