



HYDROGRAPH

**HYDROGRAPH CLEAN POWER INC.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**Dated: April 2, 2024**

**Meeting Details**

**Date:** April 2, 2024  
**Time:** 11:30 a.m. (Toronto time) / 08:30 a.m. (Vancouver time)  
**Location:** Via Teleconference

# HydroGraph Clean Power Inc.

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## **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**” of the holders (“**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of HydroGraph Clean Power Inc. (the “**Company**”) will be held on April 2, 2024, at 11:30 a.m. (Toronto time) / 8:30 a.m. (Vancouver time) via teleconference for the following purposes:

- (a) to receive and consider the audited consolidated financial statements of the Company as at and for the financial years ended September 30, 2023 and September 30, 2022, together with the report of the auditor thereon;
- (b) to appoint MNP LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the Board of Directors (the “**Board**”) to fix the remuneration of the auditor;
- (c) to fix the number of the Directors of the Company for the ensuing year at five (5);
- (d) to elect Directors of the Company to hold office for the ensuing year;
- (e) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the foregoing matters to be put before the Meeting, as well as further information with respect to voting by proxy, are set forth in the information circular.

**To access the Meeting via teleconference, dial: 604-901-0719, Access Code: 325535811**

A shareholder who is unable to attend the Meeting and who wishes to ensure that such Shareholder’s shares will be **voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the information circular.**

As set out in the notes, the enclosed proxy is solicited by management, but, you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting.

**DATED** this 29<sup>th</sup> of February, 2024

By order of the Board of Directors:

*“Stuart Jara”*

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Stuart Jara  
Director and CEO

# HydroGraph Clean Power Inc.

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## MANAGEMENT INFORMATION CIRCULAR

(containing information as at February 29, 2024 unless otherwise stated)

**For the Annual General Meeting of Shareholders  
to be held on April 2, 2024**

### SOLICITATION OF PROXIES

This information circular (this “**Circular**”) is furnished in connection with the solicitation of proxies by the management of HydroGraph Clean Power Inc. (the “**Company**”, for use at the general meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of the Company to be held on April 2, 2024, at the time and place set out in the accompanying notice of Meeting (the “**Notice**”) and for the purposes set forth in the accompanying Notice. References in this Circular to the Meeting include any adjournment or postponement thereof. Except as otherwise indicated, all dollar amounts referenced as \$ or US\$ are references to US dollars, and all references to C\$ are references to Canadian dollars.

The enclosed instrument of proxy (the “**Proxy**”) is solicited by management of the Company (“**Management**”). The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the Proxy are representatives of the Company (the “**Designee**”).

**A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder’s behalf at the Meeting other than the Designees. To exercise this right, a Shareholder shall strike out the names of the persons named in the Proxy and insert the name of the Shareholder’s nominee in the blank space provided or complete another suitable form of proxy.**

A Proxy will not be valid unless it is duly completed, signed and deposited with the Company’s registrar and transfer agent, Endeavor Trust Corporation (“**Endeavor**”), by mail or hand delivery at Endeavor Trust Corporation, Suite 702, 777 Hornby St, Vancouver, BC V6Z 1S4, by fax within North America at 604-559-8908, by email at proxy@endeavortrust.com or online as listed on the Proxy not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. A Proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

### VOTING BY PROXYHOLDER

#### Manner of Voting

The Common Shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the Common Shares will be voted accordingly. On any poll, the persons named in the Proxy (the “**Proxyholders**”) will vote the Common Shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the

Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

#### Revocation of Proxy

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited with the Company's registrar and transfer agent, Endeavor, by mail at Endeavor Trust Corporation, at Suite 702, 777 Hornby St, Vancouver, BC V6Z 1S4, by fax within North America at 604-559-8908, by email at [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) or online as listed on the Proxy at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### Voting Thresholds Required for Approval

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, Common Shares held by Shareholders of the Company who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

### **ADVICE TO REGISTERED SHAREHOLDERS**

Shareholders whose names appear on the records of the Company as the registered holders of Common Shares (the "**Registered Shareholders**") may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the Proxy either in the addressed envelope enclosed to Endeavor, by mail or hand delivery at Endeavor Trust Corporation, Suite 702, 777 Hornby St, Vancouver, BC V6Z 1S4, by fax within North America at 604-559-8908, by email at [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) or online as listed on the form of proxy not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

#### Returning your Proxy

To be effective, a completed, signed and dated Proxy must be received no later than 11:30 a.m. (Toronto time) / 08:30 a.m. (Vancouver time) on March 28, 2024, as indicated above.

If the Meeting is postponed or adjourned, a completed, signed and dated Proxy must be received by 48 hours (Saturdays, Sundays and holidays excepted) before any adjourned or postponed Meeting at which the Proxy is to be used. Late Proxies may be accepted or rejected by the Chair of the Meeting at his or her discretion and he or she is under no obligation to accept or reject a late Proxy. The Chair of the Meeting may waive or extend the proxy cut-off without notice.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

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

Shareholders who do not hold their shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only Proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

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

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

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such shares are voted.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners). The Company does not intend to pay for intermediaries to deliver these securityholder materials to OBOs and, as a result, OBOs will not be sent paper copies unless their intermediary assumes the costs.

#### **Non-Objecting Beneficial Owners**

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. Pursuant to NI 54-101, issuers may obtain and use the list of NOBOs in connection with any matters relating to the affairs of the issuer, including the distribution of proxy-related materials directly to NOBOs. This year, the Company does not intend to mail the Meeting materials directly to NOBOs. Instead, Broadridge will mail the applicable Meeting materials to NOBOs on behalf of the intermediaries.

Applicable regulatory rules require brokers and other intermediaries holding shares for others to seek voting instructions from NOBOs in advance of shareholders’ meetings. Every broker or intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by NOBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form

provided to a NOBO by its broker, agent or nominee is limited to instructing the registered holder of the Common Shares on how to vote such shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from NOBOs to Broadridge. Broadridge typically supplies voting instruction forms, mails those forms to NOBOs, and asks those NOBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. **A NOBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

#### Objecting Beneficial Owners

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

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the Common Shares on how to vote such shares on behalf of the OBO. The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge. Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

#### Notice-and-Access

The Company is not relying on the notice-and-access delivery procedures outlined in NI 54-101 to distribute copies of the Circular, Proxy or VIF.

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

Except as otherwise disclosed herein, none of the directors (“**Director**”) or executive officers (“**Officers**”) of the Company, at any time since the beginning of the Company’s last financial year, nor any proposed nominee for election as a Director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

### **RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

A Shareholder of record at the close of business at 5:00 p.m. (Vancouver time) on February 2, 2024 (the “**Record Date**”) who either personally attends the Meeting, or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder’s shares voted at the Meeting, or any adjournment thereof.

The Company's authorized capital consists of an unlimited number of Common Shares without par value. As at the Record Date, the Company has 186,528,830 Common Shares issued and outstanding, each share carrying the right to one vote.

### Principal Holders of Voting Securities

To the best of knowledge of the Directors and senior Officers of the Company, as of the date of the Circular, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

### **EXECUTIVE COMPENSATION**

#### **For the purpose of this Circular:**

“**CEO**” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**Director**” means an individual who acted as a director of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**Stock Option Plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 Share-Based Payments;

“**NEO**” means each of the following individuals:

- (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;
- (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;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;.

### Statement of Executive Compensation

The following information regarding executive compensation is presented in accordance with Form 51-102F6V, and sets forth compensation for each of the NEOs and Directors of the Company.

### Director and NEO Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, and each director, in any capacity, during the most recently completed financial years ending September 30, 2023 and September 30, 2022:

Table of Compensation Excluding Compensation Securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Stuart Jara <sup>(2)</sup> CEO and Director	2023	180,000	-	-	-	-	180,000
	2022	105,000	-	-	-	-	105,000
Kjirstin Breure <sup>(3)</sup> President, Director and Former COO	2023	156,000	-	-	-	-	156,000
	2022	137,361	-	-	-	-	137,361
Robert Wowk <sup>(4)</sup> CFO and Corporate Secretary	2023	180,123	-	-	-	-	180,123
	2022	-	-	-	-	-	-
Mathew Lee <sup>(5)</sup> CAO and Former CFO	2023	89,129	-	-	-	-	89,129
	2022	22,767	-	-	-	-	22,767
Harold Davidson <sup>(6)</sup> Former CEO and Director	2023	-	-	-	-	-	-
	2022	61,593	-	-	-	-	61,593
Logan Anderson <sup>(7)</sup> Former CFO and Corporate Secretary	2023	-	-	-	-	-	-
	2022	12,590	-	-	-	-	12,590
H. Barry Hemsworth <sup>(8)</sup> Former Vice President and Director	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
David J. Williams <sup>(9)</sup> Director and Chair of the Board	2023	25,000	-	-	-	-	25,000
	2022	18,750	-	-	-	-	18,750
David Morris <sup>(10)</sup> Director	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
Paul Cox <sup>(11)</sup> Director	2023	2,813	-	-	-	-	2,813
	2022	-	-	-	-	-	-
Jeffrey Ritzen <sup>(12)</sup> Former Director	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
David K. Ryan <sup>(13)</sup> Former Director	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-

**Notes:**

- (1) Information provided in this table is for the years ended September 30, 2023 and September 30, 2022.
- (2) Mr. Jara was appointed as Director on December 13, 2021, and as CEO on January 15, 2022. Mr. Jara did not receive any compensation in consideration of the services he provided as a Director, other than compensation securities.
- (3) Ms. Breure was appointed as COO on October 1, 2020, and promoted to President and appointed as Director on January 19, 2022. Ms. Breure did not receive any compensation in consideration of the services she provided as a Director, other than compensation securities.
- (4) Mr. Wowk was appointed as CFO and Corporate Secretary on November 21, 2022.
- (5) Mr. Lee was appointed as CFO and CAO on May 26, 2022 and November 21, 2022, respectively and resigned as CFO on November 21, 2022.
- (6) Mr. Davidson was appointed as CEO and Director on August 31, 2017, and resigned from each position on January 14, 2022. Mr. Davidson did not receive any compensation in consideration of the services he provided as a Director.
- (7) Mr. Anderson was appointed as CFO and Corporate Secretary on June 9, 2021, and resigned from each position on February 28, 2022.
- (8) Mr. Hemsworth was appointed as Vice President and Director on August 31, 2017, and resigned from each position on January 14, 2022. Mr. Hemsworth did not receive any compensation in consideration of the services he provided as a Director.
- (9) Mr. Williams was appointed as Director on June 17, 2021, and as Chair of the Board on January 29, 2024.
- (10) Mr. Morris was appointed as President and Director on June 17, 2021. Mr. Morris resigned as President on January 14, 2022. Mr. Morris did not receive any compensation in consideration of the services he provided as a President.
- (11) Mr. Cox was appointed as Director on March 5, 2023.

- (12) Mr. Ritzen was appointed as Director on October 29, 2021 and resigned from the position on December 8, 2021. Mr. Ritzen did not receive any compensation in consideration of the services he provided as a Director.
- (13) Mr. Ryan was appointed as Director on January 5, 2021 and resigned from the position on March 24, 2022.

### Stock Options and Other Compensation Securities

Except as disclosed below, no compensation securities were granted or issued to NEOs or Directors during the most recently completed financial year ended September 30, 2023:

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
Robert Wowk, CFO <sup>(1)</sup>	Stock options	3,510,000	November 21, 2022	\$0.25	\$0.13	\$0.075	November 21, 2032
Mathew Lee, CAO <sup>(2)</sup>	Stock options	500,000	November 21, 2022	\$0.25	\$0.13	\$0.075	November 21, 2032
Paul Cox, Director <sup>(3)</sup>	Stock Options	750,000	April 6, 2023	\$0.25	\$0.12	\$0.075	April 6, 2033

#### Notes:

- (1) As at September 30, 2023, Robert Wowk owned an aggregate of 3,510,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share. 1,404,000 stock options vest on the passage of time, over 4 years. 2,106,000 vest pursuant to a combination of business milestones.
- (2) As at September 30, 2023, Mathew Lee owned an aggregate of 500,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share. 200,000 stock options vest on the passage of time, over 4 years. 300,000 vest pursuant to a combination of business milestones.
- (3) As at September 30, 2023, Paul Cox owned an aggregate of 750,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share. All 750,000 stock options vest on the passage of time, over 3 years.

### Exercise of Compensation Securities by Directors and NEOs

No NEO or Director of the Company exercised compensation securities in the financial year ended September 30, 2023.

### Stock Option Plan

Other than the Company's current amended and restated Stock Option Plan (the "**Plan**") which provides for the grant of stock options ("**Options**") as a discretionary payment in consideration of past services to the Company or as an incentive for future services, the Company currently does not have any Stock Option Plan, stock option agreement made outside of a Stock Option Plan, plan providing for the grant of stock appreciation rights, equity incentive plan or any other incentive plan or portion of a plan under which awards are granted.

The Plan was approved by the Board on June 17, 2021, and amended by the Board on August 16, 2021 and on January 5, 2023. The purpose of the Plan is to ensure that the Company is able to provide an incentive program for directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any (each, an "Optionee"), that provides enough flexibility in the structuring of incentive benefits to allow the Company to remain competitive in the recruitment and maintenance of key personnel.

The Plan is administered by the Board, which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan, subject to any necessary shareholder or regulatory approval. The Board may delegate any or all of its authority with respect to the administration of the Plan. The Board shall determine to whom Options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such Options shall be granted and vested, and the number of Common Shares to be subject to each Option.

The key features of the Plan are as follows:

- The maximum number of Common Shares issuable under the Plan shall not exceed 15% of the number of Common Shares issued and outstanding as of each award date, inclusive of all Common Shares reserved for issuance pursuant to previously granted stock options. In addition, an additional 1,000,000 Shares will be reserved to issuance pursuant to Options which may only be granted to investor marketing consultants.
- The Options have a maximum term of 10 years from the date of issue.
- Options vest as the Board may determine upon the award of the Options.
- The exercise price of Options granted under the Plan will be determined by the Board but will not be less than the greater of the closing market price of the Common Shares on the Canadian Securities Exchange on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. If the Optionee is subject to the tax laws of the United States of America and owns (as determined in accordance with such laws) greater than 10% of the Common Shares at the time of granting of the Option the exercise price shall be at least 110% of the Market Price.
- The expiry date of an Option shall be the earlier of the date fixed by the Board on the award date, and: (a) in the event of the death or disability of the Optionee, 12 months from the date of death of the Optionee; (b) in the event that Optionee ceases to be a director, officer, employee, management company employee or consultant for any reason other than by reason of death or disability, 120 days following the date the option holder ceases to be a director, officer, employee, management company employee or consultant of the Company.

The Plan may be terminated at any time by resolution of the Board, but any such termination will not affect or prejudice rights of Optionees holding Options at that time. If the Plan is terminated, outstanding Options will continue to be governed by its terms.

#### Employment, Consulting and Management Agreements

Mr. Jara is paid for services to the Company as the CEO through an employment agreement. Pursuant to his employment agreement, Mr. Jara is entitled to a monthly base salary of US\$15,000, and to bonuses based on performance metrics and business milestones. If the Company terminates the agreement without cause, or Mr. Jara terminates the agreement for good reason (as defined therein), the Company shall pay Mr. Jara a compensation equal to six months base salary. Upon a change of control, all equity incentives shall immediately vest.

Ms. Breure is paid for services to the Company as the President through an employment agreement. Pursuant to her employment agreement, Ms. Breure is entitled to a monthly base salary of C\$13,000, and to bonuses based on performance metrics and business milestones. If the Company terminates the agreement without cause, or Ms. Breure terminates the agreement for good reason (as defined therein), the Company shall pay Ms. Breure a compensation equal to three months base salary. Upon a change of control, all equity incentives shall immediately vest.

Mr. Wowk is paid for services to the Corporation as the CFO and Corporate Secretary through an employment agreement. Pursuant to his employment agreement, Mr. Wowk is entitled to an annual base salary of US\$180,000, and to bonuses based on performance metrics and business milestones. If the Company terminates the agreement without cause, or Mr. Wowk terminates the agreement for good reason (as defined therein), the Company shall pay

Mr. Wowk a compensation equal to six months base salary. Upon a change of control, all equity incentives shall immediately vest.

Mr. Lee is paid for services to the Company as the CAO through a services agreement. Pursuant to his services agreement, Mr. Lee is entitled to an annual fee of C\$130,000, and to bonuses based on performance metrics and business milestones. If the Company terminates the agreement without cause, or Mr. Lee terminates the agreement for good reason (as defined therein), the Company shall pay Mr. Lee a compensation equal to three months base fee. Upon a change of control, all equity incentives shall immediately vest.

Mr. Divigalpitiya is paid for services to the Company as the Chief Science Officer through a services agreement. Pursuant to his services agreement, Mr. Divigalpitiya is entitled to a month base fee of C\$13,192 per month, and to bonuses based on performance metrics and business milestones. If the Company terminates the agreement without cause, or Mr. Divigalpitiya terminates the agreement for good reason (as defined therein), the Company shall pay Mr. Divigalpitiya a compensation equal to three months base fee. Upon a change of control, all equity incentives shall immediately vest.

#### Oversight and Description of Director and NEO Compensation

The objective of the Company's compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

#### Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN**

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of September 30, 2023:

<i>Equity Compensation Plan Information</i>			
<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b> <b>(c)<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	Nil	N/A	Nil
Equity compensation plans not approved by securityholders	16,260,000	\$0.25	9,956,283
<b>Total</b>	<b>16,260,000</b>	<b>\$0.25</b>	<b>9,956,283</b>

**Note:**

- (1) Represents the number of Common Shares available for issuance under the Plan, which reserves a number of Common Shares for issuance, pursuant to the exercise of Options, that is equal to 15% of 174,775,224, which was the number of issued and outstanding Common Shares on September 30, 2023.

The Plan as described above under section “*Executive Compensation - Stock Option Plan*” was adopted without the approval of securityholders.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date hereof, none of

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a Director or Officer;
- (b) the proposed nominees for election as Directors; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the financial year ended September 30, 2023 has been, indebted to the Company or any subsidiary of the Company (a “**Subsidiary**”), or is a person whose indebtedness to another entity is, or at any time since the beginning of the financial year ended September 30, 2023 has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any Subsidiary.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of this section, “**Informed Person**” means (a) a Director or Officer of the Company; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company’s financial statements for the financial for the year ended September 30, 2023, none of

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or

(c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the financial year ended September 30, 2023 or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

### **APPOINTMENT OF AUDITOR**

MNP LLP, Chartered Professional Accountants (“MNP”) is the Company’s auditor and was appointed as the Company’s auditor on November 17, 2021. Management is recommending the appointment of MNP as Auditors for the Company, to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the Board. Management recommends the appointment, and the persons named in the enclosed form of Proxy intend to vote in favour of such appointment.

### **MANAGEMENT CONTRACTS**

Except as disclosed herein, the Company is not a party to a Management Contract whereby management functions are to any substantial degree performed other than by the Directors or executive Officers of the Company.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **1. Presentation of Financial Statements**

The audited consolidated financial statements of the Company for the financial years ended September 30, 2023 and 2022, together with the auditor’s report thereon, will be presented to Shareholders at the Meeting, but no vote thereon is required. These documents are available under the Company’s profile on SEDAR+ at <https://www.sedarplus.ca/>, or from the Company’s head office located at Suite 4800-118, 1 King Street West, Toronto ON M5H 1A1.

#### **2. Appointment and Remuneration of Auditor**

Shareholders will be asked to approve the appointment of MNP as the auditor of the Company to hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the Board.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR appointing MNP as the Company’s independent auditor for the ensuing year, and FOR authorizing the Board to fix the auditor’s pay.**

#### **3. Fixing the Number of Directors**

The Board presently consists of five (5) Directors and Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of fixing the number of Directors for the ensuing year at five (5). Although Management is nominating five (5) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at five (5) for the ensuing year.**

#### **4. Election of Directors**

Each Director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until their successor is duly elected or appointed, unless their office is earlier vacated in accordance with the Articles of the Company.

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of Directors at five (5). Although Management is nominating five (5) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

**In the absence of instructions to the contrary, the Proxyholders intend to the vote the Common Shares represented by each Proxy, properly executed, FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.**

***Information Concerning Nominees Submitted by Management***

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which each is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular.

<b>Name, Province and Country of ordinary residence, and positions held with the Company<sup>(1)</sup></b>	<b>Principal occupation and, IF NOT an elected Director, principal occupation during the past five years<sup>(1)</sup></b>	<b>Positions Held with the Company and Date(s) serving as a Director<sup>(2)</sup></b>	<b>No. of shares beneficially owned or controlled<sup>(1)</sup></b>
<b>Stuart Jara<sup>(3)</sup></b> <i>New Jersey, USA</i>	Director and CEO of the Company	Director since December 13, 2021 CEO since January 15, 2022	1,925,000
<b>Kjirstin Breure</b> <i>Ontario, Canada</i>	Director and President of the Company	Director since January 19, 2022 President since January 19, 2022	637,000
<b>David J. Williams<sup>(3)</sup></b> <i>Surrey, United Kingdom</i>	Director and Chair of the Board of the Company; founder and director at Richmond Bridge Capital Ltd.	Director since June 17, 2021	1,750,000
<b>David Morris<sup>(3)</sup></b> <i>Ontario, Canada</i>	Director of the Company; founder and Chairman of Morris Group (Sudbury), Inc.	Director since June 17, 2021	700,000
<b>Paul Cox</b> <i>Illinois, USA</i>	Vice President, Strategy & Partnerships, at Geronimo Solutions; Senior Advisor at Insights and Actions LLC	Director since April 5, 2023	410,135

**Notes:**

- (1) The information as to ordinary residence, principal occupation and number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.
- (2) The Company does not set expiry dates for the terms of office of Directors. Each Director holds office as long as he is elected annually by Shareholders at annual general meetings, unless his office is earlier vacated in accordance with the Articles of the Company.
- (3) Member of Audit Committee.

The Company does not currently have an Executive Committee of its Board of Directors.

***Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions***

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and, for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to Directors or executive officers of a relevant company that

was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Except as set out below, to the best of knowledge of the Company, none of the proposed Directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this 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 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;
- (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 a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### **OTHER MATTERS**

As of the date of this Circular, Management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the proxy.

#### **AUDIT COMMITTEE DISCLOSURE**

The charter of the Company's audit committee and other information required to be disclosed by Form 52-110F2 is attached to the Information Circular as Schedule "A".

#### **CORPORATE GOVERNANCE DISCLOSURE**

The information required to be disclosed by Form 58-101F2 is attached to this Circular as Schedule "B".

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company at Suite 4800-118, 1 King Street West, Toronto ON M5H 1A1. Financial information is provided in the Company's comparative annual financial statements and MD&A for its financial year ended September 30, 2023.

**DATED** this 29<sup>th</sup> day of February, 2024

**HYDROGRAPH CLEAN POWER INC.**

*"Stuart Jara"*

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**Stuart Jara**

**Director**

**SCHEDULE A**  
**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**  
**(VENTURE ISSUERS)**

**General**

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”) of the Canadian Securities Administrators, a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding the composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to the Audit Committee.

**Item 1: Audit Committee Charter**

The full text of the Audit Committee charter (the “**Audit Committee Charter**”) is attached hereto as Appendix “A”.

**Item 2: Composition of Audit Committee**

The Company’s Audit Committee is currently comprised of three Directors, consisting Stuart Jara, David Williams and David Morris. As defined in NI 52-110, each of Messrs. Williams and Morris are “independent” as defined in NI 52-110 as of the date the financial statements for the most recently completed financial year of the Company were filed. Mr. Jara is an officer of the Company.

All of the Audit Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as an understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries, and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

**Item 3: Relevant Education and Experience**

All of the members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company’s auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies. The relevant experience of the current members of the Audit Committee is as follows:

***Stuart Jara***

Mr. Jara has over twenty years of business development, strategy execution, and investor relations experience to the role, with a strong background in the industrial sector. Prior to HydroGraph, Mr. Jara was a Business Unit Head at Linde, President of Taylor Wharton, Co-Founder and COO of TransCryogen, CEO and Operating Partner of Industry Group Holdings and Dunes Point Capital, and CEO of Transform Materials.

***David Williams***

Mr. Williams has been a member of the CFA Society UK since 2007. Mr. Williams is an experienced global equities fund manager with corporate finance expertise from involvement in large number of refinancing's, transactions and restructurings. Mr. Williams was with M&G Investments from 2004 to 2019, in a variety of senior roles including

Fund Manager of the M&G Global Recovery Fund from 2010 to 2019. In this position, Mr. Williams took an active role in delivery of the Fund’s strategy, which included significant involvement in investment decision making, fund raising, and corporate transactions. In 2019, Mr. Williams founded Richmond Bridge Capital that provides corporate finance advice to a range of small and medium sized, public and private companies.

### ***David Morris***

Dr. Morris has a medical degree in dentistry and has been an entrepreneur for over 18 years and has built many businesses from the ground up and taken others through recapitalization and restructuring processes. Dr. Morris is the founder of Morris Group (Sudbury) Inc. (the “Morris Group”) and has been the CEO and President since March 2011. Dr. Morris has overseen the Morris Group’s growth from a simple partnership to an organization employing more than 200 people with 2020 revenues in excess of \$100 million. As President of the Morris Group, Dr. Morris is involved in a wide range of business, including land/housing development, the mining sector, employment services and telecommunications.

### **Item 4: Audit Committee Oversight**

Since the commencement of the financial year ended September 30, 2023, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Item 5: Reliance on Certain Exemptions**

Since the commencement of the financial year ended September 30, 2023, the Company has not relied on the exemptions in Sections 2.4 or Part 8 of NI 52-110.

### **Item 6: Pre-Approval Policies and Procedures**

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

### **Item 7: External Auditor Service Fees**

The aggregate fees billed by the Company’s external auditors, MNP LLP, in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ended</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
September 30, 2023	\$51,600	Nil	\$21,099	Nil
September 30, 2022	\$54,000	Nil	Nil	Nil

**Notes:**

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited Related Fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit Fees” above.
- (3) “Tax Fee” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
- (4) “All Other Fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

### **Item 8: Exemption**

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

**APPENDIX A**  
**AUDIT COMMITTEE CHARTER**

*See Attached*

## **AUDIT COMMITTEE CHARTER**

### **I. MANDATE**

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of HydroGraph Clean Power Inc. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the “**Auditor**”); and
4. The performance of the Company's internal accounting procedures and Auditor.

### **II. STRUCTURE AND OPERATIONS**

#### **A. Composition**

The Committee shall be comprised of three or more members.

#### **B. Qualifications**

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

#### **C. Appointment and Removal**

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

#### **D. Chair**

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

#### **E. Meetings**

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

### **III. DUTIES**

#### **A. Introduction**

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

#### **B. Powers and Responsibilities**

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

##### *Independence of Auditor*

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

##### *Performance & Completion by Auditor of its Work*

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

*Internal Financial Controls & Operations of the Company*

1. Establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

*Preparation of Financial Statements*

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
  - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
  - (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.
  - (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

*Public Disclosure by the Company*

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

*Manner of Carrying Out its Mandate*

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

**C. Limitation of Audit Committee's Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

**SCHEDULE B**  
**FORM 58-101F2**  
**CORPORATE GOVERNANCE DISCLOSURE**  
**(VENTURE ISSUERS)**

**General**

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) of the Canadian Securities Administrators, prescribes certain disclosure by the Company of its corporate governance practices. Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognize the principles of good management. The board of directors of the Company (the “**Board**”) is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

**Item 1: Board of Directors**

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board. Below is the directors’ independence status as of the date the financial statements for the most recently completed year were filed.

<b>Director</b>	<b>Independence</b>
Stuart Jara	Not Independent (CEO of the Company)
Kjirstin Breure	Not Independent (President of the Company)
Paul Cox	Independent
David Williams	Independent
David Morris	Independent

**Item 2: Directorships**

Certain directors of the Company are currently also directors of other reporting issuers, as described in the table below:

<b>Director</b>	<b>Names of Other Reporting Issuers</b>	<b>Exchange</b>
Stuart Jara	None	N/A
Kjirstin Breure	None	N/A
Paul Cox	None	N/A
David Williams	None	N/A
David Morris	None	N/A

**Item 3: Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company;
3. access to management and technical experts and consultants; and
4. access to legal counsel in the event of any questions relating to the Company's compliance and other obligations.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

**Item 4: Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. However, the Board has not adopted a Code of Conduct.

The Board, through its meetings with management and other informal discussions with management, encourages a culture of ethical business conduct and believes the Company's high caliber management team promotes a culture of ethical business conduct throughout the Company's operations and is expected to monitor the activities of the Company's employees, consultants and agents in that regard.

It is a requirement of applicable corporate law that directors and senior officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of directors, abstain from discussions and voting in respect to same if the interest is material. These requirements are also contained in the Company's Articles, which are made available to directors and senior officers of the Company.

**Item 5: Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the industry are consulted for possible candidates.

**Item 6: Compensation**

The Board has the responsibility for determining compensation for the directors and senior management.

To determine compensation payable, the Board, in consultation with the independent directors, review(s) compensation paid for directors and officers of companies of similar size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the Board, in consultation with the independent directors, annually review(s) the performance of the officers in light of the Company's objectives and consider(s) other factors that may have impacted the success of the Company in achieving its objectives.

**Item 7: Board Committees**

The Company has no other committees other than the Audit Committee and the Compensation Committee.

**Item 8: Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees to satisfy itself that the Board, its committees and its directors are performing effectively.