



*ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS  
TO BE HELD  
OCTOBER 26, 2023*

*NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR*

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*September 15, 2023*

**CIELO WASTE SOLUTIONS CORP.**  
605 – 5th Avenue S.W., Suite 2500, Calgary, Alberta

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON THURSDAY, OCTOBER 26, 2023**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders of common shares of **CIELO WASTE SOLUTIONS CORP.** (“**Cielo**” or the “**Company**”) will be held on October 26, 2023, at 11:30 a.m. MT (10:30 a.m. PT, 1:30 p.m. ET) **by telephone only after registration at <https://secure.mercuri.ca/portal/?commid=1909&userid=40766#events>**, for the following purposes, as further described in the management information circular of the Company dated September 15, 2023 (the “**Circular**”):

1. To receive the audited financial statements of the Company for the year ended April 30, 2023, and the report of the auditor on those statements;
2. To set the number of directors at seven (7), or in the event that the Transaction (as defined in the Circular) is not closed before the date of the Meeting, to set the number of directors at four (4);
3. To elect directors of the Company for the ensuing year;
4. To appoint KPMG LLP, Chartered Accountants, the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor;
5. To consider and, if deemed advisable, to pass with or without variation, an ordinary resolution of the disinterested shareholders of the Company re-approving the 2022 Rolling Stock Option Plan, as more particularly described in the Circular;
6. To consider and, if thought fit, to pass, a special resolution (the full text of which is set out in the Circular) authorizing and approving an amendment to the Company’s articles to consolidate the issued and outstanding common shares of the Company (“**Common Shares**”) on the basis of one (1) post-consolidation Common Share for up to fifteen (15) pre-consolidation Common Shares (such consolidation ratio to be determined by the board of directors of the Company) if and when, following the date of the Meeting, the board of directors of the Corporation, in its sole discretion, determines that such a share consolidation is in the best interests of the Corporation (the “**Consolidation Resolution**”); and
7. To transact such other business as may properly come before the Meeting or any adjournments thereof.

The Circular, which accompanies this notice (the “**Notice**”) or can be obtained as described below, contains details of the matters to be dealt with at the Meeting. A form of proxy accompanies this Notice. Shareholders are referred to the Circular for more detailed information with respect to matters to be considered at the Meeting and for the full text of the resolutions. **The matters set out above can be located in the sections of the Circular entitled “Business of the Meeting – Annual Matters to be Voted On” or “business of the Meeting – Special Matters to be Voted On”.**

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is September 14, 2023 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote (as described below), at the Meeting or any adjournments or postponements thereof.

**LOCATION AND FORUM:** The Meeting will be held by telephone conference. To attend the Meeting, a Shareholder will have to register at the following link: <https://secure.mercuri.ca/portal/?commid=1909&userid=40766#events>. After registration, an emailed link will be sent with the call-in phone number and an individual identification number that will be required to join the Meeting. For any problems with registration, Shareholders can email: [cs@mercuri.ca](mailto:cs@mercuri.ca). Shareholders will have an equal opportunity to participate at the Meeting by telephone conference regardless of their geographic location. See the section entitled “Voting” below on information regarding voting procedures. The Meeting will not be held in a physical location unless announced by the Company prior to the Meeting. **To ensure access, Shareholders must register prior to 11:30 a.m. (MT) on October 25, 2023.**

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE ON THE MATTERS BEFORE THE MEETING BY PROXY AS DESCRIBED BELOW.**

**NOTICE-AND-ACCESS:** The Company is utilizing the notice-and-access mechanism (the “Notice-and-Access Provisions”) that came into effect on February 11, 2013 under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument 51-102 – Continuous Disclosure Obligations, for distribution of Meeting materials to registered and beneficial Shareholders. Shareholders with questions about notice and access can contact Olympia Trust Company by toll free telephone at 1-866-668-8379.

**WEBSITE WHERE MEETING MATERIALS ARE POSTED:** The Notice-and-Access Provisions are a set of rules that allow reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval+ (“SEDAR+”) and one other website, rather than mailing paper copies of such materials to Shareholders. **Electronic copies of the information circular, financial statements of the Company for the years ended April 30, 2023 and April 30, 2022 (“Financial Statements”) and management’s discussion and analysis of the Company’s results of operations and financial condition for the years ended April 30, 2023 and April 30, 2022 (“MD&A”) may be found on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) and also on the Company’s website at [www.cielows.com](http://www.cielows.com) under “Investors”.** The Company will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some Shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

**OBTAINING PAPER COPIES OF MATERIALS:** The Company anticipates that using notice-and-access for delivery to all Shareholders will benefit the Company through a reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. **If you would like to receive a paper copy of the current meeting materials by mail and you haven’t yet so requested, you must submit a request by calling 1-866-668-8379, toll-free.** There is no charge for a copy. A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Company by no later than Ten (10) business days before the date of the Meeting (“**Request Deadline**”) in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, BC) prior to the time set for the Meeting or any adjournments or postponements thereof (the “**Proxy Deadline**”). **If you do request the current materials, please note that another Voting Instruction Form/Proxy will not be sent; please retain your current one for voting purposes. No Annual Financial Information is included in this mailing.**

**A proxy will not be valid unless it is deposited with the Company’s transfer agent, Olympia Trust Company, (a) by email at [proxy@olympiustrust.com](mailto:proxy@olympiustrust.com), (b) by web voting at <https://css.olympiustrust.com/pxlogin>, (c) by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6, or (d) by facsimile to (403) 668-8307. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 11:30 a.m. (MT) on October 24, 2023 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

If you are a non-registered shareholder and received this Notice of Meeting and accompanying Circular and materials through a broker, financial institution, participant, trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary. As set out in the notes to the Proxy, the Proxy is solicited by management but you may amend it, if you wish, by striking out the names listed on it and inserting in the space provided the name of the person you wish to represent you at the Meeting, however such votes may not be counted if such person does not attend the Meeting or cannot be properly identified at the Meeting by the transfer agent.

**SHAREHOLDERS ARE REMINDED TO REVIEW THE INFORMATION CIRCULAR BEFORE VOTING.**

**DATED** at Calgary Alberta, this 15<sup>th</sup> day of September, 2023

**CIELO WASTE SOLUTIONS CORP.**

(signed) “*Sheila A. Leggett*”

By: Sheila A. Leggett, Chair

## CIELO WASTE SOLUTIONS CORP. INFORMATION CIRCULAR

Cielo Waste Solutions Corp. (the “**Company**” or “**Cielo**”) is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) that came into effect on February 11, 2013 under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”) and National Instrument 51-102 – Continuous Disclosure Obligations (“**NI 51-102**”) for distribution of this Circular to both registered and non-registered (or beneficial) shareholders of the Company (collectively, the “**Shareholders**”). Further information on notice-and-access is contained below under the heading General Information Respecting the Meeting – Notice-and-Access and Shareholders are encouraged to read this information for an explanation of their rights.

### GENERAL INFORMATION RESPECTING THE MEETING

#### Time, Date and Place

The Meeting will be held by telephone conference. Shareholders will have an equal opportunity to participate at the Meeting by telephone conference regardless of their geographic location. See the section entitled “Voting” below on information regarding voting procedures. The Meeting will not be held in a physical location unless announced by the Company prior to the Meeting.

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE ON THE MATTERS BEFORE THE MEETING BY PROXY AS DESCRIBED BELOW.**

#### Solicitation of Proxies

This information circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual general meeting (the “**Meeting**”) of the Shareholders of the Company for the purposes set forth in the Notice of Annual General Meeting of Shareholders (the “**Notice**”). References in this information circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Company by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Company.

The board of directors of the Company (the “**Board**”) has fixed September 14, 2023 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. **Proxies must be returned as follows and a proxy will not be valid unless it is deposited with the Company’s transfer agent, Olympia Trust Company, (a) by email at [proxy@olympiatrust.com](mailto:proxy@olympiatrust.com), (b) by web voting at <https://css.olympiatrust.com/pxlogin>, (c) by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6, or (d) by facsimile to (403) 668-8307. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 11:30 a.m. (MT) on October 24, 2023 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of September 15, 2023.

## Voting of Proxies

The common shares in the capital stock of the Company (“**Common Shares**”) represented by the form of proxy delivered to registered Shareholders (if same is properly executed and is received at the offices of Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Calgary, Alberta) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below under the heading “Matters to be Acted Upon”. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.

At the time of the printing and filing of the Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

**If you have appointed the Management Proxyholders as your proxyholder, they will, unless you give contrary instructions, vote your shares at the Meeting as follows:**

- ✓ **FOR the setting of the number of directors at seven (7), or in the event that the Transaction (as defined in the Circular) is not closed before the date of the Meeting, to set the number of directors at four (4)**
- ✓ **FOR the election of the proposed nominees as directors;**
- ✓ **FOR the appointment of KPMG LLP, Chartered Accountants, as the auditor of Cielo, and to authorize the directors to fix the remuneration to be paid to the auditor;**
- ✓ **FOR the re-approval of the 2022 Rolling Stock Option Plan, as more particularly described in the Circular; and**
- ✓ **FOR the Consolidation Resolution.**

## Appointment of Proxies

The persons named in the enclosed form of proxy are officers of the Company. A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent such Shareholder at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Calgary, Alberta) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof. The vote(s) of a person other than the officers named in the enclosed form will not be considered unless such person attends at the Meeting in person (by telephone). As it is more difficult to confirm the identify of a person by telephone, it is strongly encouraged that voting is done by proxy in advance, and that Shareholders opt not to appoint any person other than the named officers as proxy. Shareholders will be entitled to vote on each matter in their sole discretion, regardless of whether an officer of the Company, or another person, is appointed as the proxy.

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The

Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

### Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### Voting by Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies (provided they can be properly identified) are permitted to vote at the Meeting, though voting will occur, unless a ballot is required, by "show of hands" or the equivalent by phone, and as such, registered Shareholders are encouraged to vote prior to the Meeting. Most Shareholders are "**non-registered**" or "**beneficial**" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Non-Registered Shareholders may attend the Meeting as guests. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency, such as Clearing and Depository Services Inc. ("**CDS**"), of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies, via mail or electronically, of the Notice, this information circular in accordance with notice-and-access requirements, the form of proxy and a request card for interim and annual materials (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and the United States. Broadridge typically prepares a machine-readable voting instruction form, mails those voting instruction forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the voting instruction forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting; or

- (ii) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Olympia Trust Company, at PO Box 128, STN M Calgary, Alberta T2P 2H6.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

Non-Registered Shareholders fall into two categories: those who object to their identity being made known to the issuers of securities which they own (“**Objecting Beneficial Owners**” or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries. Pursuant to NI 54-101, issuers may obtain and use the NOBO list in connection with any matter relating to the affairs of the issuer, including the distribution of proxy-related materials directly to NOBOs. The Company is not sending Meeting Materials directly to the NOBOs. The Company will use and pay intermediaries and agents, such as Broadridge, to send the Meeting Materials. As more particularly outlined below under the heading “Notice and Access”, Meeting Materials will be sent to Non-Registered Shareholders using the Notice-and-Access Provisions.



## Notice and Access

As noted above, the Company is utilizing the Notice-and-Access Provisions that came into effect on February 11, 2013 under NI 54-101 and NI 51-102 for distribution of this Circular to all registered Shareholders and Non-Registered Shareholders.

The Notice-and-Access Provisions are a set of rules that allow reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval+ (“SEDAR+”) and one other website, rather than mailing paper copies of such materials to Shareholders. **Electronic copies of the information circular, financial statements of the Company for the years ended April 30, 2023 and April 30, 2022 (“Financial Statements”) and management’s discussion and analysis of the Company’s results of operations and financial condition for the years ended April 30, 2023 and April 30, 2022 (“MD&A”) may be found on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) prior to the date of the Meeting and also on the Company’s website at [www.cielows.com](http://www.cielows.com) under “Investors”.** The Company will not use procedures known as “stratification” in relation to the use of Notice-and- Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this information circular to some Shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this information circular. Shareholders are reminded to review this Circular before voting.

Although this Circular, the Financial Statements and the MD&A will be posted electronically on-line as noted above, Shareholders will receive paper copies of a “notice package” via prepaid mail containing the Notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and a supplemental mail list return card for Shareholders to request they be included in the Company’s supplementary mailing list for receipt of the Company’s financial statements for fiscal year ended April 30, 2023.

The Company anticipates that notice-and-access will directly benefit the Company through a reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about notice and access can contact Olympia Trust Company by toll free telephone at 1-866-668-8379.

**If you would like to receive a paper copy of the current meeting materials by mail and you haven’t yet so requested, you must submit a request by calling 1-866-668-8379, toll-free. There is no charge for a copy.** A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Company by no later than Ten (10) business days before the date of the Meeting (“Request Deadline”) in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Calgary, Alberta) prior to the time set for the Meeting or any adjournments or postponements thereof (the “Proxy Deadline”). **If you do request the current materials, please note that another Voting Instruction Form/Proxy will not be sent; please retain your current one for voting purposes.** No Annual Financial Information is included in this mailing.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company has only one class of shares entitled to be voted at the Meeting, namely, an unlimited authorized number of Class A Common Shares without par value. As at September 15, 2023, there were 910,209,275 Class A Common Shares issued and outstanding.



Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at September 14, 2023 (the “**Record Date**”). **A proxy will not be valid unless it is deposited with the Company’s transfer agent, Olympia Trust Company, (a) by email at proxy@olympiatrust.com, (b) by web voting at <https://css.olympiatrust.com/pxlogin>, (c) by mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6, or (d) by facsimile to (403) 668-8307. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 11:30 a.m. (MT) on October 24, 2023 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting (as described herein). On a show of hands (or the equivalent thereof by telephone), every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each common share of the Company registered in that shareholder’s name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the offices of the transfer agent and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, common shares carrying 10% or more of the voting rights attached to all outstanding common shares as at the Record Date.

CDS & Co. is a holding company for shares held in brokerage accounts for Non-Registered Holders. The Company’s management does not know who beneficially owns these shares.

## BUSINESS OF THE MEETING - ANNUAL MATTERS TO BE VOTED ON

### Financial Statements

The audited financial statements of the Company for the years ended April 30, 2023 and 2022 and the corresponding respective MD&A will be available for review on SEDAR+ prior to the date of the Meeting. Shareholders can request a copy of our future financial statements and MD&A by completing our supplemental request card which accompanies the Notice of Meeting and, if so requested, this Information Circular. Shareholders will not be asked to vote on the financial statements or MD&A.

### Setting Number of Directors

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless such director resigns or otherwise vacates office before that time. Under the Company's Articles and pursuant to the *Business Corporations Act* (British Columbia) ("BCBCA"), the number of directors cannot be fewer than three. The Shareholders fixed the number of the directors at the Annual General and Special Meeting of the Company held on October 28, 2022 at four (4) for the ensuring year. The BCBCA also allows for the Board to fill vacancies on the board of directors and also appoint additional directors provided the number appointed does not exceed one third of the number of existing directors.

On September 15, 2023, the Company entered into an asset purchase agreement (the "**Asset Purchase Agreement**") with Expander Energy Inc. ("**Expander**"), a private Alberta corporation, whereby the Company and Expander agreed to the acquisition by the Company of Expander's patented EBTL™ and BGTL™ technologies business (the "**Transaction**"). Pursuant to the terms of the Asset Purchase Agreement, the Company has agreed to ask the Shareholders to elect three (3) directors nominated by Expander to the Company's board of directors (the "**Board**"). For more information on the Transaction, and to review the Asset Purchase Agreement, please refer to the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

At the Meeting, Shareholders will be asked to set the number of directors at seven (7), or in the event that the Transaction is not completed before the date of the Meeting, to set the number of directors at four (4), each proposed director as named in the section entitled "Election of Directors".

The Company's management recommends that Shareholders vote in favour of setting the number of directors at seven (7), or in the event that the Transaction is not completed before the date of the Meeting, to set the number of directors at four (4).

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the setting of the board of directors at seven (7), or in the event that the Transaction is not completed before the date of the Meeting, to set the number of directors at four (4).**

### Election of Directors

Management proposes to nominate the persons named under the heading "Nominees for Election" below for election as directors of the Company.

#### *Nominees for Election*

The following information relating to the nominees for directors is based partly on the Company's records and partly on information received by the Company from the nominees. With regard to the proposed directors nominated by Expander, the Company is relying on information provided by Expander and/or such directors and has not independently verified such information. The section below states the name of each person proposed to be nominated by management for

election or re-election as a director, all offices of the Company now held by such person, such person's principal occupation, and the period of time for which such person has been a director of the Company and the number of Common Shares of the Company beneficially owned by such director, directly or indirectly, or over which such person exercises control or direction, as at the date hereof.

While management does not contemplate that the nominees will be unable to serve as directors, if prior to the Meeting a vacancy occurs in this slate of nominees for any reason, the management representatives designated in the Proxy solicited in respect of the Meeting shall have the discretionary authority to vote for the election of any other person as director. Proxies received by the directors on which no designation is made will be voted for the nominees for election as directors or any substitute nominee thereof as may be determined by management, if necessary.

The Transaction proposed between Cielo and Expander does not require the approval of Shareholders under the BCBCA or the policies of the TSX Venture Exchange (the "**Exchange**"). However, the Company has agreed to nominate Larry B. Haggar, G. Steven Price, and James H. Ross, all of whom are currently directors of Expander, for election as directors of the Company upon the closing of the Transaction. At the Meeting, Shareholders will, therefore, be asked to:

- (a) elect Larry B. Haggar, Ryan Jackson, Sheila A. Leggett, Hon. Peter MacKay, G. Steven Price, James H. Ross, and Larry Schafran as directors of the Company if the Transaction closes before the date of the Meeting; and
- (b) elect Ryan Jackson, Sheila A. Leggett, Hon. Peter MacKay, and Larry Schafran as directors of the Company if the Transaction does not close before the date of the Meeting.

For certainty, if the Transaction does not close prior to the Meeting, Messieurs Ross, Hagar and Price will not stand for election and, whether or not votes are cast in favour of Messieurs Ross, Hagar and Price, Messieurs Ross, Hagar and Price will not be elected.

Name, Municipality of Residence and Position with Company	Present Principal Occupation	Director Since	Shares Owned <sup>(2)</sup>
<b>THE FOLLOWING FOUR (4) DIRECTORS ARE STANDING FOR ELECTION WHETHER OR NOT THE TRANSACTION CLOSSES.</b>			
<b>Larry Schafran</b> <sup>(1)(2)</sup> New York, New York United States <i>Chair of the Board of Directors and Director</i>	Mr. Schafran is a private investor with interests in "disruptive" technologies. He recently co-founded a new oil/gas recovery company (Legacy Oil, Inc.) that "adopts" stranded, orphaned and/or marginal oil/gas wells. Mr. Schafran is New York City-based and recently served on numerous boards, some of which are: as a Director and Audit Committee Chair of VerifyMe Inc. (VRME), which provides individual, document and product authentication and anti-counterfeiting services, and Glasstech Inc. (a manufacturer of furnaces that manufacture automotive glass and glass for solar panels). In addition, he currently serves as a Director of Wright Investors' Service Holdings, Inc. (IWSH), formerly National Patent Development Corp.	September 8, 2021	50,000

<p><b>Hon. Peter MacKay</b> <sup>(2)</sup> Kings Head, Nova Scotia Canada <i>Director</i></p>	<p>Hon. Peter MacKay served in the Parliament of Canada for over 18 years as a Member of Parliament and cabinet minister for 10 years, including as Minister of Justice and Attorney General, Minister of National Defense, Minister of Foreign Affairs and the Atlantic Canada Opportunities Agency. Mr. MacKay chaired the Government National Security Committee for almost 10 years and served on numerous other interparliamentary committees. Mr. MacKay is currently working with McInnes Cooper and is also a strategic advisor with Deloitte and works nationally and internationally in areas such as aerospace and defense, procurement, infrastructure, and justice reform.</p>	<p>April 8, 2021</p>	<p>Nil</p>
<p><b>Sheila A. Leggett</b> <sup>(1)(2)</sup> Calgary, Alberta, Canada <i>Director</i></p>	<p>Ms. Leggett currently serves on the board of directors of Sproule and chairs the compensation committee, and chairs the technical committee responsible for the International Standards Organization's environmental managements systems standards (14000 series). In addition, Ms. Leggett is a Senior Fellow of the C.D. Howe Institute, sitting on the Energy Policy Committee and from 2016 to 2021, served on the inaugural Calgary Regional Ambassador Council for Women Get on Board. Ms. Leggett was on the Storm Resources Ltd. Board from 2018 to December 2021, on the AESO Board from 2017 to 2020, on the Board of TELUS Spark from 2014 to 2020 (Chair from 2018 to 2020), was on the Alberta Environmental Monitoring, Evaluation and Reporting Agency Board from 2014 to 2016 and was an Executive Fellow at the University of Calgary School of Public Policy from 2016 to 2020. Prior thereto, Ms. Leggett was a member of the National Energy Board (2006 – 2013) where she served as Vice Chair from 2008 to 2013 and was the COO and Board member with the Natural Resources Conservation Board (2001 – 2006).</p>	<p>December 16, 2021</p>	<p>192,900</p>
<p><b>Ryan Jackson</b> <sup>(4)</sup> Medicine Hat, Alberta, Canada <i>CEO, Director</i></p>	<p>Mr. Jackson is the CEO of Cielo. Mr. Jackson is also the managing director for and shareholder of RAMECO Group's portfolio of companies in consulting, commercial real estate, healthcare, leasing, finance, biotech and green technology, a position he has held since April 2000. Mr. Jackson was also a director and CEO of Renewable U Energy Inc. from March 2021 to June 2022.</p>	<p>May 1, 2021</p>	<p>1,200,101</p>
<p><b>THE FOLLOWING THREE (3) DIRECTORS ARE STANDING FOR ELECTION ONLY IF THE TRANSACTION CLOSES.</b></p>			
<p><b>James H. Ross</b> <sup>(5)</sup> Calgary, Alberta, Canada</p>	<p>James H. Ross, B. Sc., C. Dir.; 40 years of capital markets experience including executive management, venture capital, private equity, and small cap investment banking. Mr. Ross is Executive Chairman and Chief Financial Officer of Expander Energy Inc., Chief Executive Officer from 2010 to 2018, and has been a Director of Expander since</p>	<p>N/A, election to be effective October 26, 2023 if elected and if the</p>	<p>Nil</p>

	<p>2009; Mr. Ross is the former Chief Executive Officer of Rocky Mountain GTL Inc. from 2017 to 2022, and remains Director of Rocky Mountain GTL Inc., Mr. Ross is Co-Founder and CEO of Alberta Clean Technologies (VCC) Ltd. An Alberta based Venture Capital Corporation. Mr. Ross past experience includes, Director of C-Free Power Corp. a developer of wind and micro-hydro power generation in western Canada, (acquired by Good Energies Capital), Director of Platinum Communication Corp. a provider of rural high-speed internet in western Canada, (acquires by Xplornet Communication Inc.), Director of Glenbriar Technologies Inc. a information technology service provider in B.C., Alberta, and Ontario (acquired Uniserve Communications).</p>	Transaction Closes	
<p><b>Larry B. Hagar</b> <sup>(5)</sup> Calgary, Alberta, Canada</p>	<p>Larry B Hagggar has 50 years experience in the oil and gas industry after graduating from the University of Waterloo with a B.A.Sc. degree in Chemical Engineering (1971). He began his career at Great Canadian Oil Sands (now Suncor) as a Process Engineer and later as Operations Engineer for the Upgrader. He next joined a major U.S. engineering firm’s Calgary office and was assigned to its London, U.K office where he worked on a variety of projects for clients in Indonesia, the North Sea and Saudi Arabia. Upon returning to Calgary he designed and commissioned upstream oil and gas plants before moving to Dubai as Chief Engineer for Scimitar Oils Ltd for the design, construction, start-up and first year operation of the Dugas Jebel Ali Gas Plant and associated off-shore gas gathering facilities. Larry operated as a consultant for projects in Italy, New Orleans and Houston prior to joining Colt Engineering where he was a Partner and Director for 20 years. He held many line positions at Colt as a Process Engineer, Department Head, Project Engineer, Project Manager and General Manager, working out of its Calgary, Markham, Abu Dhabi Joint Venture and Edmonton CoSyn Alliance offices. After Colt’s sale to WorleyParsons in 2007 he began investing in the Energy industry leading to his investment in Expander Energy Inc. Since 2010 he has been a Director and process advisor to Expander in its development of novel technologies for Biomass-to-Liquids, Gas-to-Liquids, Biomass-Electrolysis-to-Liquids and FT Crude (a more carbon efficient scheme to process Bitumen).</p>	<p>N/A, election to be effective October 26, 2023 if elected and if the Transaction Closes</p>	<p>Nil</p>
<p><b>G. Steven Price</b> <sup>(5)</sup> Calgary, Alberta, Canada</p>	<p>Steve Price is a Professional Engineer and President of Price Engineering, a consulting company providing technical and managerial expertise to the energy sector since 1995. He received his Bachelor of Science degree in Electrical Engineering from the University of Manitoba and has over 45 years’ experience in engineering and management including corporate operations, evaluations, facilities design and operation most recently in biomass and renewable energy systems. Mr. Price also has</p>	<p>N/A, election to be effective October 26, 2023 if elected and if the Transaction Closes</p>	<p>Nil</p>

	<p>extensive experience in multi-stakeholder engagement, working with various groups such as landowners, First Nations, government and non-governmental agencies. He is past President and CEO of Expander Energy Ltd. and has been a Director since 2009. Prior to that, he was President of Unitech Energy Resources Ltd., Vice President of HCO Energy Ltd., Vice President of Bralorne Resources Inc., and Manager of Ranchmen's Resources Ltd. (all oil and gas issuers who are or were listed on the TSX).</p>		
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**NOTES:**

- (1) Member of the Audit Committee.
- (2) Member of the Nominating Committee.
- (3) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as at September 15, 2023. This information is not within the knowledge of the management of the Company and has been furnished by the respective individuals or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals and available through the Internet at [www.sedi.ca](http://www.sedi.ca).
- (4) The Company had previously entered into joint venture memorandums of understanding between 2018 and 2021 (the "MOUs") with Renewable U Energy Inc. and/or its affiliates ("RUEI"), as previously disclosed. On May 17, 2023, the Company announced the execution of definitive agreements pursuant to a binding letter of intent entered into between the Company and RUEI, on its own behalf and on behalf of its affiliates regarding the termination of such MOUs. Mr. Jackson was a shareholder of RUEI through a holding corporation, the latter which holds 10% or less of the issued and outstanding shares of RUEI. Mr. Jackson previously owned and/or controlled, indirectly, securities of RUEI, which securities have since been deposited into an irrevocable blind trust managed by a trustee.
- (5) Messieurs Ross, Hagar and Price are nominated for election in the event that the Transaction closes prior to the Meeting. If the Transaction does not close prior to the Meeting, Messieurs Ross, Hagar and Price will not stand for election and, whether or not votes are cast in favour of Messieurs Ross, Hagar and Price, Messieurs Ross, Hagar and Price will not be elected.

Under the provisions of the *Business Corporations Act* (British Columbia) and *National Instrument 52-110 – Audit Committees* ("NI 52-110"), the Company is required to have an audit committee comprised of a minimum of three (3) directors, a majority of whom are not executive officers, employees or control persons of the Company (or an affiliate thereof). The three (3) directors comprising the audit committee of the Company are independent as required under section 6 of NI 52-110. See also the section entitled "*Audit Committee*" below.

The Company's management recommends that Shareholders vote in favour of the nominees for election as directors.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the seven (7) nominees, or in the event that the Transaction is not completed before the date of the Meeting, to elect the four (4) nominees (who are currently directors of the Company as at the date of this Circular).**

*Corporate Cease Trade Orders or Bankruptcy*

Save and except as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten 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:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days;
- or

- (c) 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.

As announced in the Company news releases dated August 27, 2021 and September 7, 2021, the Company had voluntarily applied to the British Columbia Securities Commission (“**BCSC**”) to approve a temporary management cease trade order (the “**MCTO**”) under National Policy 12-203 – Management Cease Trade Orders (“**NP 12-203**”) to prohibit trading in securities of the Company by the CEO and the CFO of the Company, both directly and indirectly, as a result of the anticipated and realized delay of the filing of the Company’s audited consolidated financial statements and related management’s discussion and analysis for the years ended April 30, 2020 and 2021 (the “**Annual Filings**”). The MCTO was revoked by the BCSC following the filing of the Annual Filings.

Larry Schafran was a director of COPsync, Inc. (“**COPsync**”) from January 2017 to May 2017. On October 4, 2017, COPsync announced that it had filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Louisiana. In a Form 8-K filed on EDGAR dated April 30, 2018, COPsync disclosed that, on the same date, COPsync filed in the Bankruptcy Court its proposed Plan of Liquidation Pursuant to Chapter 11 of the U.S. Bankruptcy Code (the “**Plan**”) and Debtor’s Disclosure Statement, and on May 1, 2018, the Court entered an order scheduling a hearing on June 12, 2018, to consider approval of the disclosure statement and establishing June 5, 2018, as the last date for filing objections to the disclosure statement. The Plan was disclosed in the Form 8-K as scheduled to take effect after confirmation of the Plan by the Bankruptcy Court and the satisfaction of conditions precedent to effectiveness of the Plan. Thereafter, the registration of each class of COPsync’s securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (the “**Exchange Act**”) was revoked (pursuant to section 12(j) of the Exchange Act) effective July 23, 2018.

Larry Schafran was a director of SulphCo, Inc. (“**SulphCo**”) from March 2011 to September 2011. In a Form 8-K filed by SulphCo dated September 16, 2011, SulphCo disclosed that on September 16, 2011, it had filed for bankruptcy protection under the provisions of Chapter 7 of the United States Bankruptcy Code (the “**Bankruptcy Filing**”) in the United States Bankruptcy Court for the Southern District of Texas - Houston Division (for the purposes of this paragraph, (for the purposes of this paragraph, the “**Bankruptcy Court**”). Effective as of the date of the Bankruptcy Filing, the Bankruptcy Court assumed jurisdiction and control of SulphCo. The Form 8-K disclosed that the Bankruptcy Court would name a receiver, trust, fiscal agent or similar officer at a later date and that the assets of SulphCo would be liquidated in accordance with federal bankruptcy code.

### *Penalties or Sanctions*

As at the date of this Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

### *Personal Bankruptcy*

As of the date of this Circular, no proposed nominee for election as a director of the Company has, within the ten 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.

### *Conflicts of Interest*

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a Conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that



directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as set out below, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of those other companies.

Certain of the directors of the Company also serve as directors and/or officers and/or controlling shareholders of other companies. Consequently, there exists the possibility for such directors and/or officers to be in a position of conflict. For example:

1. The Company had previously entered into joint venture memorandums of understanding between 2018 and 2021 (the "MOUs") with Renewable U Energy Inc. and/or its affiliates ("RUEI"), as previously disclosed. On May 17, 2023, the Company announced the execution of definitive agreements pursuant to a binding letter of intent entered into between the Company and RUEI, on its own behalf and on behalf of its affiliates regarding the termination of such MOUs. Mr. Jackson was a shareholder of RUEI through a holding corporation, the latter which holds 10% or less of the issued and outstanding shares of RUEI. Mr. Jackson previously owned and/or controlled, indirectly, securities of RUEI, which securities have since been deposited into an irrevocable blind trust managed by a trustee.
2. Messieurs Ross, Hagar and Price are each directors and/or officers and/or significant shareholders of Expander and/or its affiliates.

Any decision made by directors or officers in such positions involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

### Appointment of Auditors

Shareholders will be asked to appoint KPMG LLP, Chartered Accountants, as the auditor for the Company for the ensuing year. KPMG LLP was first appointed by the board of directors on May 31, 2021.

The Board recommends that you vote FOR the appointment of KPMG LLP, Chartered Accountants, as the Company's auditor and authorize the Company's board of directors to fix the auditor's remuneration.

**Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of KPMG LLP, Chartered Accountants, as the Company's auditor until the close of the next annual meeting of shareholders and to authorize the Company's board of directors to fix the remuneration of the auditor.**

## **BUSINESS OF THE MEETING - SPECIAL MATTERS TO BE VOTED ON**

### **Re-Approval of 2022 Rolling Stock Option Plan**

At the Meeting, the Shareholders will be asked to approve the Company's 10% "rolling" stock option plan (the "**2022 Rolling Stock Option Plan**"), which has not been amended since being approved by the Shareholders at the Company's annual general and special meeting held on October 28, 2022.

Pursuant to the 2022 Rolling Stock Option Plan, the Company will continue to be entitled to grant stock options (the "**Options**") on the same terms (as further described below). The Company also has a fixed non-option plan (the "**Fixed Non-Option Plan**"), pursuant to which the Company is entitled to grant restricted share units ("**RSUs**"), Performance Share Units ("**PSUs**"), deferred share units ("**DSUs**") and share appreciation rights ("**SARs**", together with the RSUs, PSUs and DSUs, each an "**Award**", collectively the "**Awards**").

At its annual general and special meeting of the Company's shareholders held on October 21, 2021, the Company sought and obtained the approval of the disinterested shareholders of the Company for the adoption of the a rolling stock option plan (the "**2021 Rolling Stock Option Plan**") as well as the Fixed Non-Option Plan, each of which was approved by the TSX Venture Exchange (the "Exchange") at the time of the listing of the Company's securities on the Exchange on June 24, 2021 subject to the Company obtaining disinterested shareholder approval (which was thereafter obtained).

Policy 4.4 of the Exchange ("**Policy 4.4**") and the terms of the 2022 Rolling Stock Option Plan require that the Company seek shareholder approval for a rolling stock option plan on an annual basis (but not a fixed plan such as the Fixed Non-Option Plan). In addition, pursuant to Policy 4.4, disinterested shareholder approval ("**Disinterested Shareholder Approval**") is required in the event that, *inter alia*, the aggregate number of common shares of the Company reserved for issuance under stock options (or other incentive securities such as the Awards) granted to Insiders (as defined under TSX-V policies) exceeds Ten Percent (10%) of the issued and outstanding shares of the Company at any point in time. Policy 4.4 requires that in a case such as this, in which the Insiders may be entitled to receive more than Ten Percent (10%) of the issued and outstanding common shares pursuant to the grant of Options or Awards (under both the Rolling Stock Option Plan and the Fixed Non-Option Plan in aggregate), the Company must obtain approval by a majority of the votes cast by all shareholders at the Meeting excluding votes attaching to shares beneficially owned by: (i) Insiders to whom options may be granted under the Incentive Plans; and (ii) Associates of such Insiders (as defined in Policy 1.1 of the TSX-V) (the "**Insider Participants**"). The Company is required to obtain Disinterested Shareholder Approval as a result. As at the date of this Circular, there are 2,586,494 common shares of the Corporation beneficially owned by the Insider Participants (the "**Excluded Shares**"), representing 0.29% of the issued and outstanding common shares as at the date of this Circular.

The purposes of the 2022 Rolling Stock Option Plan (as well as the Fixed Non-Option Plan) are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants with that of other shareholders of the Company generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of securities as long-term investments.

If Shareholders approve the 2022 Rolling Stock Option Plan, which is a "rolling" plan, at all times 10% of the issued and outstanding common shares of the Company will be reserved for issuance pursuant to the Options granted under the 2022 Rolling Stock Option Plan (less the number of stock options existing under the 2021 Rolling Stock Option Plan and any predecessor plan). As at the date of this Circular, there are 910,209,276 common shares issued and outstanding, which would allow for and result in a maximum grant of 91,020,927 stock options available for grant (less issued and outstanding options). As at the date of this Circular, 26,602,569 stock options are issued and outstanding, 12,313,770 of which have vested.

25,807,096 common shares of the Company are also reserved for issuance pursuant to the Awards granted under the Fixed Non-Option Plan.

Stock options that were issued prior to the adoption of the 2021 Rolling Stock Option Plan are and will continue to be subject to the Company's prior stock option plan (the "Predecessor Plan"). Stock options that were issued prior to the adoption of the 2022 Rolling Stock Option Plan are and will continue to be subject to the 2021 Rolling Stock Option Plan.

The Company will be required to seek Disinterested Shareholder Approval for the 2022 Rolling Stock Option Plan each year hereafter so long as Insiders may be entitled to receive Options or Awards representing more than Ten Percent (10%) of the issued and outstanding common shares of the Company at any time. Otherwise, the Company will be required to seek approval of the majority of shareholders, including Insider Participants, for the Rolling Stock Option Plan each year.

### *Description of the 2022 "Rolling" Stock Option Plan*

The following is a summary of the material terms of the 2022 Rolling Stock Option Plan which have not changed. A copy of the 2022 Rolling Stock Option Plan will be available for review upon request. Capitalized terms have the meanings ascribed to them in the 2022 Rolling Stock Option Plan.

- 1. Number of Shares Reserved** The aggregate maximum number of common shares (the "**Shares**") available for issuance from treasury under the 2022 Rolling Stock Option Plan (including any options ("**Option(s)**") granted by the Company prior to the adoption of the 2022 Rolling Stock Option Plan) will not exceed an aggregate of Ten Percent (10%) of the issued and outstanding Shares of the Company at the time of grant. Any Shares subject to an Option which has been granted under the 2022 Rolling Stock Option Plan and which has been exercised, cancelled, repurchased, expired or terminated in accordance with the terms of the 2022 Rolling Stock Option Plan will again be available under the 2022 Rolling Stock Option Plan.
- 2. Eligibility** Any director, executive officer, employee, consultant or management company employee and their permitted assigns (as those terms are defined by the policies of the CSE and National Instrument 45-106 – Prospectus Exemptions, as amended from time to time) of the Company or any affiliate of the Company are eligible to receive Options (each an "**Eligible Person**") subject to the terms of the 2022 Rolling Stock Option Plan and Board approval.
- 3. Committee:** The Board of Directors may administer the 2022 Rolling Stock Option Plan or may delegate the administration, in whole or in part, to the compensation committee (or similar) of the Board of Directors (the "Committee").
- 4. Awards Granted to Individuals:** The maximum number of Shares for which Options may be granted (together with the number of Shares for which Awards under the Fixed Non-Option Plan may be granted) to any one participant (the "**Participant**") in any 12-month shall not exceed 5% of the outstanding Shares, calculated on the date an Option is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the TSX-V. The maximum number of Shares for which Options may be granted (together with the number of Shares for which Awards under the Fixed Non-Option Plan may be granted) to any Consultant (as defined by the TSX-V) in any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Option is granted to the Consultant. The maximum number of Shares for which Options may be issued to any persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSX-V) in any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Award is granted to the Consultant. For the avoidance of doubt, Options will be the only form of stock-based compensation that may be granted to persons retained to provide Investors Relations Activities.
- 5. Awards to Insiders.** Provided Disinterested Shareholder Approval is obtained as is sought at the Meeting, the maximum number of Shares for which Options, together with Awards, may be granted to Insiders (as a group) under the Rolling Stock Option Plan, together with the Fixed Non-Option Plan respectively, shall not exceed 14% of the issued and outstanding Shares: (a) at any point in time; and (b) within any 12-month period, in each case being 10%

with respect to Options granted pursuant to the 2022 Rolling Stock Option Plan and 4% with respect to Awards granted pursuant to the Fixed Non-Option Plan.

6. **Exercise Price.** The exercise price (the “**Option Price**”) for each grant of an Option under the 2022 Rolling Stock Option Plan shall be determined by the Committee and shall be specified in the Stock Option Agreement. The Option Price for an Option shall not be less than the greater of the following: (a) the FMV of the Shares on the date of grant; and (b) the Discounted Market Price (as defined by the TSX-V) on the date immediately prior to the date of grant. “FMV” is defined as a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the TSX-V less any discount permitted by the rules or policies of the TSX-V
7. **Vesting.** Subject to any provisions of the Option Plan or the applicable stock option agreement (the “**Stock Option Agreement**”) relating to acceleration of vesting of Options, regulatory requirements and the policies of the TSX-V, the Committee shall determine the vesting provisions of each grant of Options at the time. Notwithstanding the foregoing, Options granted to any Consultant or persons (in the aggregate) retained to provide Investor Relations Activities shall vest in stages over a period of not less than 12 months with no more than One Quarter (1/4) of the Options vesting in any three-month period, such that: (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted; (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted; (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.
8. **Exercise of Options.** Options are exercisable as and when and subject to the restrictions and requirements as the Committee may choose, subject to the 2022 Rolling Stock Option Plan. Options shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price. The Option Price upon exercise of any Option shall be payable to the Company in full in cash, certified cheque, bank draft or wire or electronic funds transfer or any other method to deliver readily available funds which is accepted by the Committee. Notwithstanding the foregoing, the Board of Directors may elect to allow the exercise of Options to be completed by way of Cashless Exercise or Net Exercise.
9. **Duration/Term.** Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to a Blackout Period (as defined below), no Option shall be exercisable later than the tenth (10th) anniversary date of its grant.
10. **Blackout Periods.** If the date on which an Option is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10 business day period. A “Blackout Period” is defined as a period of time during which the Participant cannot sell Shares, due to applicable laws or policies of the Company in respect of insider trading.
11. **Agreement.** Each Option grant shall be evidenced by a Stock Option Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.
12. **Amendment.** The Board of Directors may amend the 2022 Rolling Stock Option Plan at any time; however, an amendment may not be made without shareholder approval if shareholder approval is necessary to comply with the policies of the TSX-V or other applicable regulatory requirements. Generally, amendments of a “housekeeping” nature or amendments in order to bring the 2022 Rolling Stock Option Plan in compliance with applicable laws, may be made without the approval of shareholders.
13. **Transferability** The Options are non-assignable and non-transferable.

**14. Termination** If the Stock Option Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply, provided that, notwithstanding the foregoing or anything to the contrary herein, in no event can Options terminate more than one (1) year following the Termination Date (“**Termination Date**” defined as the date of death in the case of a Participant who dies and in all other cases, the date designated by the Company as the date upon which the Participant ceases to be an Eligible Person):

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:
  - (i) all unvested Options as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Option Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (b) Disability: “**Disability**” is defined in the 2022 Rolling Stock Option Plan as a disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Committee may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Option Plan. For greater clarity, any determination as to whether a Participant ceases to be eligible to be a Participant under the Option Plan as a result of their Disability will in each case be made subject always to any accommodation obligations and any statutory job protections that are imposed under applicable laws. If a Participant ceases to be eligible to be a Participant under the Option Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Option Plan for a period of 90 days after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 90 days months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant retires then the Committee shall have the discretion, with respect to such Participant’s Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Option Plan as a result of their termination for cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
- (e) Termination without Cause or Voluntary Resignation: Subject to foregoing terms related to Termination, if a Participant ceases to be eligible to be a Participant under the 2022 Rolling Stock Option Plan for any reason:
  - (i) all Options that are unvested as at the Termination Date shall automatically and immediately expire and be forfeited on the Termination Date, and
  - (ii) all Options that are vested as at the Termination Date shall continue to be subject to the Option Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

**15. Change of Control** Subject to change as determined by the Committee in accordance with the Plan, if there is a change of control of the Company (the “**Change of Control**”, as further described in the 2022 Rolling Stock

Option Plan and as consistent with the usual definition of such term), any Options held by a Participant shall automatically vest following such Change of Control, on the Termination Date, if the Participant is an Employee, officer or a Director and: (i) their employment, or officer or Director position is terminated by the Company or an Affiliate of the Company (except for a termination with cause) within 12 months following the Change of Control; or they resign or retire with good reason within 12 months following the Change of Control, provided that no acceleration of Options shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required.

- 16. Approval** As set out above, the Company shall seek re-approval of the 2022 Rolling Stock Option Plan on an annual basis for so long as required by the policies of the TSX-V, such re-approval to be disinterested shareholder approval so long as the maximum number of Shares for which Options and Awards may be granted to Insiders (as a group) under the 2022 Rolling Stock Option Plan together with the Fixed Non-Option Plan may exceed Ten Percent (10%) of the issued and outstanding Shares.

#### *Resolution – Re-Approval of 2022 Rolling Stock Option Plan*

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, approve the following resolutions:

**“BE IT RESOLVED THAT:**

- a) the 2022 Rolling Stock Option Plan, as described in the Circular of the Company dated September 15, 2023, be and is hereby re-approved, ratified and confirmed; and
- b) any director or officer of the Corporation is authorized and directed to do all things and to execute and deliver or to cause to be executed and delivered any documents considered to be necessary or desirable, in such director’s or officer’s sole discretion, to give effect to these resolutions.”

In order for the resolution to be passed, approval by the majority of the votes cast by all shareholders, present in person and by proxy at the Meeting, excluding the Excluded Shares held by the Eligible Insiders is required.

**THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY, UNLESS OTHERWISE INSTRUCTED, INTEND TO VOTE IN FAVOUR OF THE RESOLUTION RE-APPROVING, RATIFYING AND CONFIRMING THE 2022 ROLLING STOCK OPTION PLAN.**

## Approval of Share Consolidation

In the Board's opinion, it may be in the best interests of the Company to consolidate the Common Shares at a future date, and such a consolidation may enhance the marketability and liquidity of the Common Shares.

The Company exists under the BCBCA. A company formed under the BCBCA may complete a share consolidation without the approval of its shareholders, unless its Articles provide otherwise. The Company's Articles require that the Company obtain special approval of its Shareholders for certain alterations to its Articles, including a share consolidation.

The Company is seeking approval to complete a share consolidation in order to provide flexibility to the Company and its Board. Provided the Board remains within the range described below, whether and when a share consolidation would be effective would be in the discretion of the Board. As such, the Board will be able to determine the most opportune timing to complete such a transaction, acting in the best interests of the Company.

Shareholders will be asked to consider and approve, with or without modification, a special resolution authorizing and approving an amendment to the Articles of the Company pursuant to subsection 54(1)(g) of the BCBCA, to consolidate the issued and outstanding securities of the Company on the basis of one (1) new common share (or security convertible or exercisable into a common share) for up to fifteen (15) existing common shares (or securities convertible or exercisable into common shares) (the "Consolidation"). Although approval for the Consolidation is being sought at the Meeting, such a Consolidation would ultimately become effective at a date in the future to be determined by the Board if and when the Board considers it to be in the best interests of the Company to implement such a Consolidation. The special resolution will also authorize the Board to elect not to proceed with, and abandon, the Consolidation at any time if it determines, in its sole discretion, that the Consolidation is not in the best interests of the Company.

The Consolidation is also subject to acceptance by the Exchange.

The Company currently has 910,206,275 common shares issued and outstanding. If the Transaction is completed, there will be a total of 1,816,681,918 common shares issued and outstanding. Following the Consolidation, assuming a ratio of 15:1 (although it may be less), there would be approximately 60,680,418 common shares issued and outstanding if the Transaction does not close or approximately 121,112,132 common shares issued and outstanding if the Transaction does close. No fractional post-consolidation shares will be issued and no cash will be paid in lieu of fractional post-consolidation common shares. In the case of fractional shares resulting from the Consolidation, fractions of a share will be rounded down to the next whole share. Upon the Consolidation becoming effective, letters of transmittal will be sent by mail to holders of common shares then issued and outstanding, which are certificated, for use in transmitting their share certificates to the Company's registrar and transfer agent, Olympia Trust Company, in exchange for new certificates representing the number of common shares to which such shareholder is entitled as a result of the Consolidation. Upon return of a properly completed letter of transmittal, together with certificates evidencing the common shares of the Company, certificates for the appropriate number of new consolidated common shares will be issued at no charge. No certificates for fraction consolidated common shares will be issued. Additionally, upon the Consolidation becoming effective, the number of shares reserved for issuance by the Company, including those shares reserved for stock options, RSUs, DSUs, warrants and any other convertible or exchangeable securities will be adjusted to give effect to the Consolidation, such that the number of consolidated common shares issuable will equal the number obtained when the number of common shares issuable is divided by the conversion number and the exercise prices of outstanding stock options, RSUs, DSUs and warrants to purchase consolidation common shares will equal the price obtained by multiplying the existing exercise price by the conversion number.

The Company's Articles require that the Consolidation must be approved by a special resolution of the Shareholders of the Company, being the approval of not less than 66 2/3% of the votes cast by the Shareholders who voted in respect of the resolution. The text of the special resolution to be voted on at the Meeting by the shareholders is set forth below (the "**Consolidation Resolution**"):



## *Consolidation Resolution*

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, approve the following resolutions:

**“BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:**

- a) The Articles of the Company be amended to change the number of issued and outstanding common shares of the Company (“**Common Shares**”) by consolidating the issued and outstanding Common Shares on the basis of one (1) new Common Share for up to fifteen (15) existing Common Shares (the “**Consolidation**”), such consolidation ratio to be determined by the board of directors of the Company (the “**Board**”), and in the event that the Consolidation would otherwise result in a holder of Common Shares holding a fraction of a Common Share, such holder shall not receive any whole new Common Shares or any cash consideration for each such fraction, such amendment to become effective at a future date to be determined by the Board when the Board considers it to be in the best interests of the Company to implement such a Consolidation, subject to the consent of the stock exchange on which the Company’s Common Shares are listed for trading;
- b) Any director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to execute and deliver or cause to be delivered Articles of Amendment to the Director under the Business Corporations Act (British Columbia) if and when the Board determines to implement the Consolidation;
- c) Notwithstanding that this special resolution has been duly passed by the holders of the Common Shares, the directors of the Company are hereby authorized in their sole discretion to revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the holders of the Common Shares; and
- d) Any one director or officer of the Company be and the same is hereby authorized, for and on behalf of the Company to execute or cause to be executed, and to deliver or cause to be delivered all such documents and filings, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

**THE BOARD RECOMMENDS A VOTE IN FAVOUR OF THE CONSOLIDATION RESOLUTION. IN ORDER FOR THE CONSOLIDATION RESOLUTION TO BE PASSED, IT MUST BE APPROVED BY 66 2/3% OF THE VOTES CAST AT THE MEETING IN RESPECT THEREOF. THE REPRESENTATIVES OF MANAGEMENT NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND, UNLESS OTHERWISE DIRECTED, TO VOTE IN FAVOUR OF THE CONSOLIDATION RESOLUTION.**

## STATEMENT OF EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Company in connection with their office or employment with the Company is made in accordance with the requirements of *National Instrument 51-102 – Continuous Disclosure Obligations* and *Form 51-102F6V – Statement of Executive Compensation – Venture Issuers*. Disclosure is required to be made in relation to "Named Executive Officers", being those individuals who, at any time during the most recently completed financial year, served as the Chief Executive Officer, Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 (the "Named Executive Officers").

The Company has had six (6) "Named Executive Officers" during the financial year ended April 30, 2023, as set out below:

1. Gregg Gegunde – Chief Executive Officer and Chief Operating Officer as of July 20, 2021 until his resignation in June 2022.
2. Ryan Jackson – Chief Executive Officer as of June 12, 2022.
3. Anna Cheong – Chief Financial Officer as of April 15, 2022 until her resignation in June 2022.
4. Jasdeep K. Dhaliwal – Chief Financial Officer as of June 12, 2022.
5. Chris Sabat – Chief Legal Officer and Corporate Secretary as of September 1, 2021 until his resignation in June 2022.
6. Ryan Carruthers – Executive Vice President, Operations as of July 11, 2022.

### *Definitions for the purpose of this Information Circular*

The following definitions are applicable to the Company as a venture issuer pursuant to Form 51-102F6V:

**"company"** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

**"compensation securities"** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries

**"external management company"** includes a subsidiary, affiliate or associate of the external management company;

**"NEO"** or **"named executive officer"** means each of the following individuals who held the positions below for any part of the year ended April 30, 2023:

(a) a CEO;

(b) a CFO;

(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, for that financial year; and

(d) each individual who would be an 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;

**"plan"** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

**"underlying securities"** means any securities issuable on conversion, exchange or exercise of compensation securities.

Information contained with respect to this Form 51-102F6V is as of April 30, 2023 unless otherwise indicated and all dollar amounts referenced herein are in Canadian Dollars, unless stated otherwise.

## **Compensation Discussion and Analysis**

The compensation program of the Company is intended to reward executives for implementing, executing and achieving the Company's business plan and objectives, and each individual's own performance. The program is intended to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Company's corporate objectives and increase shareholder value. The Company's goal is to balance this with its current status as a research and development company.

The Company does not have a Compensation as at the date of this Circular. See section entitled "Corporate Governance – Board Committees" for additional details.

The Board reviews on an annual basis the corporate goals and objectives relevant to executive compensation; evaluates each executive officer's performance in light of those goals and objectives and sets the executive officer's compensation level based, in part, on this evaluation. The Board also takes into consideration the Company's overall performance, shareholder returns, and the value of similar incentive awards to executive officers at comparable companies, and the awards given to executive officers in past years. The foregoing factors are also taken into consideration when determining compensation for directors.

### *Executive Officer Compensation*

Compensation for executives is comprised of: (a) base salary; (b) compensation securities (to date, Options and RSUs as defined in this Circular); (c) group benefits; and (d) company-provided parking and in the case of the President, CEO, CFO and (formerly) CLO, an executive health and wellness spending account.

Compensation securities issued pursuant to the Company's Rolling Stock Option Plan and Fixed Non-Option Plan (as defined in this Circular) are an important part of the Company's long-term incentive strategy for its executive officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Options and RSUs reward overall corporate performance as measured through the price of the Company's shares and enables executives to acquire and maintain an ownership position in the Company.

Management directors are required to abstain from voting in respect of their own compensation thereby providing the independent members of the Board with considerable input as to executive compensation.

### *Director Compensation*

Compensation paid to directors is generally in the form of compensation securities (to date, Options and DSUs, each as defined in the Circular). Compensation securities are an important part of the Company's long-term incentive strategy for its directors, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Options and DSUs reward overall corporate performance as measured through the price of the Company's shares and enables directors to acquire and maintain an ownership position in the Company.

Except as set out below, as the Company is in a research and development stage, it generally does not pay cash compensation to directors in order to preserve cash for its research and development activities and working capital generally, however this may change in the future if deemed appropriate by the directors or a committee of the directors. Aside from ongoing compensation, as a one-time event, Mel Angeltvedt, Robin Ray, Lionel Robins, Chris Dovbniak and

Doug MacKenzie (the "**Former Directors**") resigned as directors during the year ended April 30, 2022 (Messieurs Angeltvedt, Ray and Robins in May 2021, Messieurs Dovbniak and MacKenzie in September 2021), the Company resolved to pay compensation of \$7,500 per year, prorated, after the year ended April 30, 2021 to the Former Directors for services provided in their respective roles of, and during their terms as, independent directors of the Company.

Certain directors also received compensation for services other than the services of a director, as disclosed herein.

### *Equity Incentive Compensation*

Executive officers of the Company, as well as directors, contractors and employees, are eligible to participate in the Company's equity incentive plans, as amended from time to time. Options or other Awards (as defined in the Circular) are, or are anticipated to be, granted by the Board as a whole (since the dissolution of the Compensation Committee) and the size of the grants is dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which an officer's long-term contribution to the Company will be crucial to its overall long-term success.

The Company adopted the Rolling Stock Option Plan and the Fixed Non-Option Plan in June 2021, both of which were approved by the disinterested shareholders of the Company at its shareholder meeting in October 2021, the Rolling Stock Option Plan having been amended and approved at the Company's shareholder meeting in October 2022. For a detailed description of the Company's 2022 Rolling Stock Plan, see section of the Circular entitled "Business of the Meeting – Annual Matters to be Voted On".

Pursuant to the terms of the Fixed Non-Option Plan, in addition to the Ten Percent (10%) aggregate maximum of Shares available for issuance underlying Options at the time of grant, the aggregate maximum number of Shares available for issuance from treasury under the is 25,807,186, being Four Percent (4%) of the issued and outstanding Shares of the Company as at the effective date of the Fixed Non-Option Plan (June 18, 2021). A copy of the Fixed Non-Option Plan, the material terms of which were set out in the Company's information circular for the shareholder meeting held in October 2021, is also available upon request to the Company.

In practice, the Company has to date opted to grant Options and RSUs to executive officers and Options and DSUs to directors.

The Company has no arrangements, standard or otherwise, under which Directors are compensated by the Company for their services in their capacity as Directors, or for committee participation, or involvement in special assignments during the most recently completed financial year or subsequently.

### *Benefits*

To ensure the Company's compensation packages remain competitive with those of its peers, the Named Executive Officers receive certain perquisites, including extended health care, dental and insured benefits, company-provided parking and in the case of the President, CEO, CFO and CLO, an executive health and wellness spending account.

### Summary Compensation Tables

The following disclosure sets out the compensation paid, made payable, awarded, granted, given or otherwise provided to each NEO and director for the financial years ended April 30, 2023 and April 30, 2022.

### *Director and named executive officer compensation, excluding compensation securities*

The following table sets forth the summary information concerning compensation excluding compensation securities earned by the Company's NEOs, and the directors of the Company, during the most recently completed financial years ended April 30, 2023 and April 30, 2022.

Name and Principal Position	Year (period) Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meetings fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
<b>Ryan Jackson<sup>(1)</sup></b> <i>Director and Chief Executive Officer as of June 12, 2022</i>	2023 2022	188,333 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	188,333 Nil
<b>Gregg Gegunde<sup>(2)</sup></b> <i>Chief Executive Officer &amp; Chief Operating Officer until June 2022</i>	2023 2022	36,923 296,615	Nil 16,615	Nil Nil	Nil 4,117	91,623 166,667 <sup>(6)</sup>	128,546 484,014
<b>Jasdeep K. Dhaliwal<sup>(1)</sup></b> <i>Director until, and Chief Financial Officer as of, June 12, 2022</i>	2023 2022	188,333 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	188,333 Nil
<b>Anna Cheong<sup>(8)</sup></b> <i>Chief Financial Officer</i>	2023 2022	19,231 8,307	Nil Nil	Nil Nil	Nil Nil	Nil Nil	19,231 8,307
<b>Ryan Carruthers<sup>(3)</sup></b> <i>Executive Vice President, Operations</i>	2023 2022	212,308 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	212,308 Nil
<b>Don Allan</b> <i>Former President &amp; Chief Executive Officer, Former Director</i>	2023 2022	Nil 423,692	Nil 80,000	Nil Nil	Nil 12,026	274,154 <sup>(9)</sup> Nil	274,154 515,718
<b>Chris Sabat<sup>(4)</sup></b> <i>Chief Legal Officer &amp; Corporate Secretary</i>	2023 2022	36,923 241,846	Nil Nil	Nil Nil	Nil 14,233	76,954 100,000 <sup>(6)</sup>	113,877 356,079
<b>Sheila A. Leggett</b> <i>Chair, Director</i>	2023 2022	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Larry Schafran</b> <i>Director</i>	2023 2022	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Hon. Peter MacKay</b> <i>Director</i>	2023 2022	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Lionel Robins<sup>(5)(7)</sup></b> <i>Director</i>	2023 2022	Nil 108,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 108,500
<b>Chris Dovbniak<sup>(5)</sup></b> <i>Director</i>	2023 2022	Nil 50,199	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 50,199

Name and Principal Position	Year (period) Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meetings fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
<b>Mel Angeltvedt</b> <sup>(5)</sup> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	39,289	Nil	Nil	Nil	Nil	39,289
<b>Doug MacKenzie</b> <sup>(5)</sup> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	61,603	Nil	Nil	Nil	Nil	61,603
<b>Christopher Robin Ray</b> <sup>(5)</sup> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	57,267	Nil	Nil	Nil	Nil	57,267

**NOTES:**

- (1) Ryan Jackson and Jasdeep K. Dhaliwal received the compensation set out above for their services as Chief Executive Officer and Chief Financial Officer, respectively, with no compensation paid for director positions. Each of Mr. Jackson and Ms. Dhaliwal deferred a portion of their fees equal to \$23,333 respectively, which have not been paid as at the date of this Circular.
- (2) Greg Gegunde resigned as Chief Executive Officer in June 2022. Mr. Gegunde had temporarily deferred a portion of his salary, which was paid together with vacation pay during the year ended April 30, 2023.
- (3) Ryan Carruthers was appointed Executive Vice President, Operations in July 2023.
- (4) Chris Sabat resigned as Chief Legal Officer in June 2022. Mr. Sabat had temporarily deferred a portion of his salary, which was paid together with vacation pay during the year ended April 30, 2023.
- (5) Mel Angeltvedt, Robin Ray, Lionel Robins, Chris Dovbniak and Doug MacKenzie (the "Former Directors") resigned as directors following the year ended April 30, 2021, in May 2021. The Company resolved to pay compensation equal to \$7,500 per year, prorated, following the year ended April 30, 2021, to the Former Directors for services provided in their respective roles of, and during their terms as, independent directors of the Company. Following the year ended April 30, 2021, \$218,735 was paid to the Former Directors in aggregate for past services as directors.
- (6) Cash settlement payments made to Gregg Gegunde and Chris Sabat following the vesting of 1/3 of RSUs granted to the executive officers during the year ended April 30, 2022, at the option of the Company.
- (7) Excludes fees paid to a corporation owned and/or controlled by Lionel Robins and of which Mr. Robins is a director and/or officer for marketing services provided to the Company. The Company has made payments to a corporation of which Mr. Robins is a shareholder, director and officer, however Mr. Robins has advised that he is not entitled to receive any compensation that is paid by Cielo to such corporation.
- (8) Anna Cheong was appointed Chief Financial Officer in April 2022 and resigned in June 2022 (to a controller position).
- (9) Don Allan was a director and officer of the Company, resigning from his officer roles during the year ended April 30, 2022. Mr. Allan received termination pays following his resignation as officer, pursuant to a total retiring allowance of \$729,000, and as at April 30, 2023, the balance owing was \$387,554. See section entitled "Management and Employment Agreements - Termination and Change of Control Benefits" for more information.

### *Stock Options and other compensation securities*

The following table sets forth the summary information concerning compensation securities earned by the Company's NEOs, and the directors of the Company, during the most recently completed financial year ended April 30, 2023.

<b>Name and Principal Position</b>	<b>Type of Compensation Security</b>	<b>Number of compensation securities, number of underlying securities, and percentage of class<sup>(1)</sup></b>	<b>Date of issue of grant</b>	<b>Issue, conversion or exercise of price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry Date</b>
<b>Ryan Jackson</b> <i>Chief Executive Officer, Director</i>	Stock Options	3,846,154	December 28, 2022	\$0.065	\$0.065	\$0.075	December 28, 2027
<b>Jasdeep K. Dhaliwal</b> <i>Chief Financial Officer, Director</i>	Stock Options	3,846,154	December 28, 2022	\$0.065	\$0.065	\$0.075	December 28, 2027
<b>Ryan Carruthers</b> <i>Executive Vice President, Operations</i>	Stock Options	Nil	December 28, 2022	\$0.10	\$0.065	\$0.075	December 28, 2027
<b>Sheila A. Leggett</b> <i>Chair, Director</i>	Stock Options	2,800,000	December 28, 2022	\$0.10	\$0.065	\$0.075	December 28, 2027
<b>Larry Schafran</b> <i>Director</i>	Stock Options	2,400,000	December 28, 2022	\$0.10	\$0.065	\$0.075	December 28, 2027
<b>Hon. Peter MacKay</b> <i>Director</i>	Stock Options	2,000,000	December 28, 2022	\$0.10	\$0.065	\$0.075	December 28, 2027

**NOTES:**

- 1) Ryan Jackson also has 1,083,333 options, 791,668 of which had vested as at April 30, 2023, as well as 350,000 DSUs.
- 2) Jasdeep K. Dhaliwal also has 1,487,500 options, 1,195,832 of which had vested as at April 30, 2023, as well as 350,000 DSUs.
- 3) Ryan Carruthers also has 900,000 options, 600,000 of which had vested as at April 30, 2023.
- 4) Sheila A. Leggett also has 888,021 options, 304,684 of which had vested as at April 30, 2023, as well as 350,000 DSUs.
- 5) Larry Schafran also has 1,109,375 options, 817,705 of which had vested as at April 30, 2023, as well as 350,000 DSUs.
- 6) Peter MacKay also has 1,135,417 options, 843,750 of which had vested as at April 30, 2023, as well as 350,000 DSUs.



### *Exercise of Compensation Securities by Named Executive Officers and Directors*

No Options or RSUs were exercised during by NEOs or directors during the year ended April 30, 2023.

### *Pension Plan Benefits*

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

### *Management and Employment Agreements - Termination and Change of Control Benefits*

Except as listed below, the Company has not entered into any other compensatory plans, contracts or arrangements with any of its NEOs or directors whereby those NEOs or directors, as applicable, are entitled to receive compensation as a result of the resignation, retirement or any other termination of employment of the NEO with the Company or from a change in control of the Company or a change in the Named Executive Officer's responsibilities following a change in control.

The following is a description of the material terms of each agreement or arrangement under which compensation was provided during the year ended April 30, 2023 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or Named Executive Officer:

Don Allan, President and Chief Executive Officer of the Company until his resignation during the year ended April 30, 2022, entered into an employment agreement with the Company on November 1, 2017. The agreement provided that, in the event that the Company terminated Mr. Allan's employment without cause, or if there was a change of control event, the Company would be required to provide Mr. Allan with a payment equal to four (4) times his then-current annual salary, in addition to any outstanding remuneration owing. In addition, all unvested options and RSUs would vest immediately, and Mr. Allan will continue to be entitled to receive an operating income bonus under the terms of the agreement. Mr. Allan resigned from his position as CEO on September 27, 2021 and his position as President on February 1, 2022. Pursuant to the terms of an amendment to Mr. Allan's agreement effective December 2, 2021, the Company agreed to a retiring allowance by way of salary continuance for a period of 27 months, through to May 2, 2023.

The Company entered into an employment agreement with Gregg Gegunde on July 20, 2021. Mr. Gegunde was first employed as a Chief Operating Officer, and then also became Chief Executive Officer. Refer to Table of Compensation Excluding Compensation Securities for total payments made under this agreement. In the event of termination without Cause (as defined in the agreement), the agreement provided the requirement for the Company to pay Mr. Gegunde the greater of: (a) an amount equal to only that minimum notice of termination, or pay in lieu of notice of termination, and any other entitlements required by applicable employment standards legislation as a result of termination of employment; or (b) common law reasonable notice of termination or pay in lieu of such notice (the "Severance Payment"). The agreement also provided for the requirement that, in the event of a Change of Control (as defined in the agreement) and provided that within twelve (12) months of the effective date of such Change in Control Mr. Gegunde's employment is either terminated by the Company without cause, or is terminated by Mr. Gegunde for Good Reason (as defined in the agreement), the Company would be required to pay an amount equal to the Severance Payment to Mr. Gegunde. Mr. Gegunde resigned in June 2022.

The Company entered into an employment agreement with Christopher Sabat on September 1, 2021. Mr. Sabat was first employed as a General Counsel and Corporate Secretary, and then promoted to Chief Legal Officer. Refer to Table of Compensation Excluding Compensation Securities for total payments made under this agreement. In the event of termination without Cause (as defined in the agreement), the agreement provided the requirement for the Company to pay Mr. Sabat the greater of: (a) an amount equal to only that minimum notice of termination, or pay in lieu of notice of termination, and any other entitlements required by applicable employment standards legislation as a result of termination of employment; or (b) common law reasonable notice of termination or pay in lieu of such notice (the "Severance Payment"). The agreement also provided for the requirement that, in the event of a Change of Control (as defined in the agreement) and provided that within twelve (12) months of the effective date of such Change in Control Mr. Sabat's employment is either terminated by the Company without cause, or is terminated by Mr. Sabat for Good Reason (as

defined in the agreement), the Company would be required to pay an amount equal to the Severance Payment to Mr. Sabat. Mr. Sabat resigned in June 2022.

The Company entered into an employment agreement with Anna Cheong on April 18, 2022. Ms. Cheong had previously been employed as a Controller but was promoted to Interim Chief Financial Officer following the resignation of Stephanie Li. Refer to Table of Compensation Excluding Compensation Securities for total payments made under this agreement. In the event of termination without Cause (as defined in the agreement), the agreement provided the requirement for the Company to pay Ms. Cheong the greater of: (a) an amount equal to only that minimum notice of termination, or pay in lieu of notice of termination, and any other entitlements required by applicable employment standards legislation as a result of termination of employment; or (b) common law reasonable notice of termination or pay in lieu of such notice (the “Severance Payment”). The agreement also provided for the requirement that, in the event of a Change of Control (as defined in the agreement) and provided that within twelve (12) months of the effective date of such Change in Control Ms. Cheong’s employment is either terminated by the Company without cause, or is terminated by Ms. Cheong for Good Reason (as defined in the agreement), the Company would be required to pay an amount equal to the Severance Payment to Ms. Cheong. Ms. Cheong was replaced by Ms. Jasdeep K. Dhaliwal in June 2022, returning to her Controller position.

The Company entered into an executive contractor agreement with Ryan Jackson effective June 12, 2022 with respect to Mr. Jackson’s role as interim CEO, effective June 12, 2022. The Company may terminate the agreement upon 60 days notice subject to payment of the equivalent of 2 months of fees or for “cause” as defined in the agreement. Mr. Jackson may terminate the agreement upon 60 days notice. Both parties can also mutually agree to terminate the agreement. The agreement was amended and restated on or about September 15, 2022 primarily to remove the “interim” title from the role of CEO.

The Company entered into an executive contractor agreement with Jasdeep K. Dhaliwal effective June 12, 2022 with respect to Ms. Dhaliwal’s role as interim CFO. The Company may terminate the agreement upon 60 days notice subject to payment of the equivalent of 2 months of fees or for “cause” as defined in the agreement. Ms. Dhaliwal may terminate the agreement upon 60 days notice. Both parties can also mutually agree to terminate the agreement. The agreement was amended and restated on or about September 15, 2022 primarily to remove the “interim” title from the role of CFO.

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

The following information is as of April 30, 2023, the Company’s most recently completed financial year.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	26,825,693 Options 2,100,000 DSUs	0.12 N/A	62,528,568D Options 21,873,863 Awards
Equity Compensation plans not approved by securityholders	Nil <sup>(2)(3)</sup>	N/A	Nil

Total:	18,016,669 <sup>(1)</sup>	0.20	67,009,020 <sup>(2)</sup> 23,707,096 <sup>(3)</sup>
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## AUDIT COMMITTEE

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

### *The Audit Committee Charter*

The Company’s audit committee is governed by an audit committee charter, which is available for viewing on the Company’s website at [www.cielows.com](http://www.cielows.com).

### *Composition of Audit Committee*

Pursuant to NI 52-110 in 2015, the Company, a venture issuer, is required to have an audit committee consisting of at least three members, with at least two members who are independent (not employees, executive officers or control persons of the Company or any affiliate thereof). The Audit Committee as at September 15, 2023, consists of Larry Schafran (Chair) (independent), Sheila A. Leggett (independent), Peter MacKay (independent).

All Audit Committee members have the ability to read and understand 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 and are therefore considered “financially literate”.

### *Relevant Education and Experience*

All Audit Committee members have experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Name	Determination of Independence
<b>Larry Schafran</b> New York, New York, United States <i>Chair of the Audit Committee</i>	Mr. Schafran is independent as required for venture issuers pursuant to NI 52-110.
<b>Peter MacKay</b> King’s Head, Canada <i>Director</i>	Mr. MacKay is independent as required for venture issuers pursuant to NI 52-110.
<b>Sheila A. Leggett</b> Calgary, Alberta, Canada <i>Director</i>	Ms. Leggett is independent as required for venture issuers pursuant to NI 52-110.

### *Audit Committee Oversight*

Since the commencement of the Company’s most recently completed financial year ended April 30, 2023, the board of directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

### *Reliance on Certain Exemptions*

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### *Pre-Approval Policies and Procedures*

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “*Pre-Approval Policies and Procedures*” of the Audit Committee Charter.

### *External Audit Service Fees (By Category)*

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice, and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees billed to the Company to its external auditor for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

<b>Financial Year Ended</b>	<b>Audit / Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
April 30, 2023	\$180,140 <sup>(1)</sup>	Nil	\$53,500 <sup>(1)</sup>
April 30, 2022	\$142,690 <sup>(1)</sup>	\$75,000 <sup>(2)</sup>	53,500 <sup>(1)</sup>

**Notes:**

(1) Excluding GST.

### *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 5 (Reporting Obligations) of NI 52-110.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the board of directors of the Company (the “**Board**”), the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board and management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company continues to evaluate its corporate governance policies and objectives.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) also requires the Company to disclose annually in its Circular certain information concerning its corporate governance practices.

### Board of Directors

#### *Structure and Composition*

The Board was composed of four (4) directors as at the date of this Circular: Sheila A. Leggett (Chair), Larry Schafran, Peter MacKay, and Ryan Jackson (CEO).

Subject to shareholder approving at the Meeting, the Board will be composed of the foregoing four (4) directors if the Transaction is not consummated, or seven (7) directors including the four (4) foregoing directors in addition to three (3) new directors proposed by Expander (see section entitled “Election of Directors”).

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company as defined in section 1.4 of NI 52-110. During the fiscal year ended April 30, 2023, the majority of the Company’s board of directors was “independent”. Following the year end for a period of time, upon the engagement of Mr. Jackson as Interim CEO and Ms. Dhaliwal as Interim CFO, the composition of the Board such that 50% of the directors were “independent”. For most of the year ended April 30, 2023, a majority of the Company’s Board was “independent” (excluding Ryan Jackson, CEO).

The Policies of the Exchange require that two (2) directors be “independent”.

In the event that Larry B. Haggar, G. Steven Price, and James H. Ross are elected to the Board, as a result of their respective positions as directors and/or officers and/or significant shareholders of Expander, it is likely none of the three (3) directors will be “independent”, such that the Board will be composed of three (3) “independent” directors and four (4) non-independent directors. This composition complies with the requirements under the policies of the Exchange.

The Company has determined independence as follows for the existing directors as at the date of this Circular:

Name	Independent	Determination of Independence
<b>Sheila A. Leggett</b> Calgary, Alberta, Canada <i>Chair, Director</i>	Yes	Ms. Leggett is an outside director. She is not an officer, nor does she provide services to the Company other than in her role as director. She is therefore considered independent.

<b>Larry Schafran</b> New York, New York, United States <i>Chair of the Board of Directors and Director</i>	Yes	Mr. Schafran is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. He is therefore considered independent.
<b>Hon. Peter MacKay</b> Kings Head, Nova Scotia, Canada <i>Director</i>	Yes	Hon. Peter MacKay is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. He is therefore considered independent.
<b>Ryan Jackson</b> Calgary, Alberta, Canada <i>Director</i>	No	Mr. Jackson, as CEO, is considered “non-independent”. As his appointment to executive officer occurred following the end of the fiscal year, he was considered “independent” during the fiscal year.

### *Mandate of the Board*

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees (see “*Committees of the Board of Directors*” below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable.

In keeping with its overall responsibility for the stewardship of the Company, the Board is also responsible for the integrity of the Company’s internal control and management information systems and for the Company’s policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer and the Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans, and annual operating plans.

The Board has found that the fiduciary duties placed on management by the Company’s governing corporate legislation and common law and the restrictions on an individual director’s participation in decisions of the Board in which the director has an interest under applicable corporate and securities legislation provide the “independent” directors with significant input and leadership in exercising their responsibilities for independent oversight of management. In addition, each member of the Board understands that such director is entitled to seek the advice of an independent expert if such director reasonably considers it warranted under the circumstances and the “independent” directors have the ability to meet independently of management whenever deemed necessary.

### *Directorships*

None of the directors of the Company are not currently directors or officers of any other reporting issuers.

### *Ethical Business Conduct*

The Board of Directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

The Board adopted a formal written Code of Business Conduct and Ethics effective December 16, 2021, as amended on January 31, 2023.

### *Nomination, Education and Assessment*

The Board had not appointed a nominating committee during the year ended April 30, 2022. These functions were performed by the Board as a whole. Nominees have been generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the executive officers, and proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

During the year ended April 30, 2023, the Board approved the formation of a Nominating Committee. The Nominating Committee made a recommendation to the Board regarding the proposed nominees to be elected at the Meeting based on all relevant factors, including related to the directors as well as the status of the Company at this time. The mandate of this committee is or will be available on the Company's website.

New directors are briefed on strategic plans, short-, medium-, and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. 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. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" in the section entitled "Business of the Meeting" for a description of the current principal occupations of the Company's Board.

## **Committees of the Board of Directors**

### *Audit Committee*

The Board has appointed an audit committee as required under the *Business Corporations Act* (British Columbia) and National Instrument 52-110. The audit committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Company, as well as internal controls to achieve the objectives of safeguarding the Company's assets; reliability of information; and compliance with policies and laws. See section entitled "AUDIT COMMITTEE" for details.

### *Compensation Committee*

The Company previously had a compensation committee (the "Compensation Committee"), which was composed of Messieurs Don Allan, Chris Dovbniak (former director) and Doug MacKenzie (former director) prior to and for a portion of the 2022 fiscal year. During the year ended April 30, 2022, the Compensation Committee was dissolved in lieu of the Board of Directors as a whole overseeing matters of compensation.



See the section entitled “Executive Compensation – Compensation of Named Executive Officers” above for details of the compensation paid to the Company’s Named Executive Officers.

### *Nominating Committee*

The Board formed a nominating committee effective September 2, 2022. The mandate of this committee is or will be available on the Company’s website.

## **OTHER INFORMATION**

### **Indebtedness of Directors and Executive Officers**

Since the beginning of the most recently completed financial year ended April 30, 2023 and as at the date of this Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company for other than “routine indebtedness”, as that term is defined by applicable securities law; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### **Interest of Informed Persons in Material Transactions**

Other than as disclosed below, no proposed nominee for election as a director, and no director or officer of the Company who has served in such capacity since the beginning of the last financial year of the Company, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company’s outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had any interest in any transaction with the Company or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company or is likely to do so.

1. The Company had previously entered into joint venture memorandums of understanding between 2018 and 2021 (the “MOUs”) with Renewable U Energy Inc. and/or its affiliates (“**RUEI**”), as previously disclosed. On May 17, 2023, the Company announced the execution of definitive agreements pursuant to a binding letter of intent entered into between the Company and RUEI, on its own behalf and on behalf of its affiliates regarding the termination of such MOUs. Mr. Jackson was a shareholder of RUEI through a holding corporation, the latter which holds 10% or less of the issued and outstanding shares of RUEI. Mr. Jackson previously owned and/or controlled, indirectly, securities of RUEI, which securities have since been deposited into an irrevocable blind trust managed by a trustee.
2. Messieurs Ross, Hagar and Price are each directors and/or officers and/or significant shareholders of Expander and/or its affiliates and, as such, have a material interest in the Transaction. As at the date of this Circular and prior to the election of Messieurs Ross, Hagar and Price to the Board, the Company and Expander are arm’s length parties.

### **Interest of Certain Persons in Matters to be Acted on at the Meeting**

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors.

## Other Matters

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## Other Material Facts

There are no material facts related to the fiscal years ended April 30, 2023, and April 30, 2023 or up to September 15, 2023, other than as disclosed in this Circular, the Company's Financial Statements or Management's Discussion and Analysis Plus, or otherwise disclosed and available on SEDAR+.

## Additional Information

The Company's Financial Statements and Management's Discussion and Analysis for the years ended April 30, 2023 and April 30, 2023 are available on the Company's profile at SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) prior to the date of the Meeting.

## Board Approval

The Board of Directors of the Company has approved the contents and the delivery of this Circular to its shareholders.

DATED at Calgary, Alberta, this 15<sup>th</sup> day of September, 2023.

### **BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Sheila A. Leggett*"

By: Sheila A. Leggett

Chair of the Board of Directors