

STEEP HILL INC.
30 Commercial Road
Toronto, Ontario M4G 1Z3

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of the shareholders of Steep Hill Inc. (the "**Company**") will be held on Friday, October 14, 2022, at the hour of 10:00 a.m. (Eastern time), at the office of Irwin Lowy LLP at 217 Queen Street West, Suite 401, Toronto, Ontario, for the following purposes:

1. to receive and consider the audited financial statements of the Company for the year ended December 31, 2021 and the report of the auditors thereon;
2. to elect the directors of the Company;
3. to appoint the auditors of the Company and to authorize the directors to fix their remuneration;
4. to consider and, if deemed advisable, to pass, with or without variation, a special resolution, to amend the articles of incorporation of the Company to consolidate each of the issued and outstanding common shares of the Company on the basis of up to fifteen (15) pre-consolidation common shares of the Company into one (1) post-consolidation common share of the Company, as more fully described in the accompanying management information circular; and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his or her duly executed form of proxy with the Company's transfer agent and registrar, Capital Transfer Agency ULC, at Suite 920, 390 Bay Street, Toronto, Ontario, M5H 2Y2 not later than 11:00 a.m. (Eastern time) on Wednesday, October 12, 2022 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company has by resolution fixed the close of business on August 30, 2022 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19, shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein and in the accompanying management information circular dated September 8, 2022 of the Company.

NOTICE-AND-ACCESS

Notice is also hereby given that the Company has decided to use the notice-and-access method of delivery of meeting materials for the Meeting for beneficial owners of common shares of the Company (the "**Non-Registered Holders**") and for registered shareholders. The notice-and-access method of delivery of meeting materials allows the Corporation to deliver the meeting materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the notice-and-access system, registered shareholders will receive a form of proxy and the Non-Registered Holders will receive a voting instruction form enabling them to vote at the Meeting. However, instead of a paper copy of the notice of Meeting, the management information circular, the annual consolidated financial statements of the Company for the financial year ended December 31, 2021 and related

management's discussion and analysis and other meeting materials (collectively the "**Meeting Materials**"), shareholders receive a notification with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing the Meeting Materials to shareholders. Shareholders are reminded to view the Meeting Materials prior to voting. The Company will not be adopting stratification procedures in relation to the use of notice-and access provisions.

Websites Where Meeting Materials Are Posted:

Meeting Materials can be viewed online under the Company's profile at www.sedar.com or on the website of Capital Transfer Agency, the Company's transfer agent and registrar, at <https://capitaltransferagency.com/agm-asm>. The Meeting Materials will remain posted on the Capital Transfer Agency website at least until the date that is one year after the date the Meeting Materials were posted.

How to Obtain Paper Copies of the Meeting Materials

Shareholders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Capital Transfer Agency website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning notice-and-access, please contact the Company's transfer agent and registrar, Capital Transfer Agency, by telephone at 416-350-5007 or toll-free at 1-800-631-0940.

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual meeting. Additional information about the Company and its financial statements are also available on the Company's profile at www.sedar.com.

DATED at Toronto, Ontario this 8th day of September, 2022.

BY ORDER OF THE BOARD

"Sameet Kanade" (*signed*)
Chief Executive Officer and Director

EXHIBIT A

SPECIAL RESOLUTION OF THE SHAREHOLDERS

OF

STEEP HILL INC. (THE "COMPANY")

AMENDMENT TO ARTICLES OF INCORPORATION – CONSOLIDATION

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the articles of incorporation of the Company be amended to consolidate each of the issued and outstanding common shares of the Company on the basis of up to fifteen (15) pre-consolidation common shares of the Company into one (1) post-consolidation common share of the Company (the "**Consolidation**"), and further authorizing the directors in their sole discretion when and if to effect the Consolidation, in each case without requirement for further approval, ratification or confirmation by shareholders, as more particularly described in the management information circular dated September 8, 2022 of the Company, provided that in the event the Consolidation would result in a shareholder of the Company holding a fraction of a common share, a shareholder shall not receive a whole common share of the Company for each such fraction;
2. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors of the Company be, and they are hereby authorized and directed to revoke this resolution at any time prior to the issue of a certificate of amendment giving effect to the Consolidation and to determine not to proceed with the amendment of the articles of amalgamation of the Company without further approval of the shareholders of the Company; and
3. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of the articles of amendment in the prescribed form to the Director appointed under the *Canada Business Corporations Act*, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

STEEP HILL INC.
30 Commercial Road
Toronto, Ontario M4G 1Z3

MANAGEMENT INFORMATION CIRCULAR
As at September 8, 2022

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR ("CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF STEEP HILL INC. (the "**Company**") of proxies to be used at the annual and special meeting of shareholders of the Company to be held on Friday, October 14, 2022 at the office of Irwin Lowy LLP at 217 Queen Street West, Suite 401, Toronto, Ontario at the hour of 10:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the "**Meeting**") for the purposes set out in the enclosed notice of meeting (the "**Notice**"). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Company's proxy solicitation materials (the "**Meeting Materials**") to the beneficial owners of the common shares of the Company (the "**Common Shares**") held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice.

PROXY INSTRUCTIONS AND VOTING

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and officers of the Company. A shareholder desiring to appoint some other person, who need not be a shareholder of the Company, to represent him or her at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy and striking out the names of the persons specified or by completing another proper form of proxy.

All proxies must be deposited with the Company c/o Capital Transfer Agency ULC, at Suite 920, 390 Bay Street, Toronto, Ontario, M5H 2Y2 not later than 11:00 a.m. (Eastern time) on Wednesday October 12, 2022, or if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting. The Company may refuse to recognize any instrument of proxy received after such time. A proxy should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a Company, by an officer or attorney thereof duly authorized.

A shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or by his or her attorney authorized in writing or by electronic signature or, if the shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the provisions of the *Canada Business Corporations Act*, by electronic signature, to (i) the registered office of the Company, located at Suite 2500, 120 Adelaide Street West, Toronto, Ontario M5H 1T1, at any time prior to 11:00 a.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares of the Corporation (the "**Common Shares**") represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and

the authorization of the directors to fix their remuneration, as stated elsewhere in this Management Information Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Management Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of special shares, issuable in series. As of August 30, 2022, there were a total of 243,971,493 Common Shares issued and outstanding and no special shares outstanding. Each Common Share outstanding carries the right to one vote at the Meeting.

Only registered shareholders of Common Shares as of the close of business on the day immediately preceding the day on which notice of the Meeting is given are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the directors and officers of the Company, there are no persons or corporations beneficially owning directly or indirectly, or exercising control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

No director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, has any material 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 as disclosed in this Management Information Circular.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. RECEIPT OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended December 31, 2021 and the report of the auditors will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at www.sedar.com.

2. ELECTION OF DIRECTORS

The Board currently consists of six (6) directors, including Rajkumar (Raj) Ravindran who will not be standing for re-election at the Meeting. It is proposed that five (5) directors be elected at the Meeting. The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Percentage of Voting Shares Owned or Controlled
Ian Morton ⁽⁴⁾ Ontario, Canada Director	Business owner and Director – Summerhill, Manyways, the Commercial Road and Eco Generation.	August 18, 2021	1,633,104	0.66%
Anthony Viele ⁽²⁾⁽³⁾ Ontario, Canada Director	Self-employed, Business Consultant	May 29, 2020	391,667	0.16%
David Walters ⁽²⁾⁽³⁾ Ontario, Canada Director	Director of Ensign Capital Inc., a Toronto based merchant bank	May 29, 2020	141,667	0.05%
Jane Wright-Mitchell Ontario, Canada Director	General Counsel – Lecar PLC and Independent Board Member	October 8, 2021	Nil	Nil
Sameet Kanade ⁽²⁾⁽³⁾ Ontario, Canada Chief Executive Officer and Director	Chief Executive Officer and Director	February 1, 2022	3,118,173 ⁽⁵⁾	1.28%

Notes:

- (1) *The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.*
- (2) *Member of the Audit Committee.*
- (3) *Member of the Compensation Committee.*
- (4) *A portion of the common shares are held through 9201513 Canada Inc., a corporation owned and controlled by Mr. Morton.*
- (5) *754,424 Common Shares are held directly by Mr. Kanade personally and 2,363,749 Common Shares are controlled by Mr. Kanade.*

As at the date of this Management Information Circular, the current directors and senior officers of the Company as a group, directly or indirectly, beneficially own or exercise control or direction over 5,284,611 Common Shares, representing approximately 2.16% of the issued and outstanding number of Common Shares.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

Corporate Cease Trade Orders or Bankruptcies

No proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

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

- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Mr. Sameet Kanade was the Interim Chief Financial Officer from September 9, 2020 to September 23, 2020 of Agrios Global Holdings Ltd. ("**Agrios**"), which was subject to a management cease trade order resulting from a failure to file financial statements as issued on September 15, 2020 by the British Columbia Securities Commission and on September 17, 2020 by the Ontario Securities Commission. These cease trade orders have not been revoked or rescinded.

Personal Bankruptcies

None of the proposed directors of the Company have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the proposed directors of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. APPOINTMENT OF AUDITORS

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF MNP LLP, CHARTERED PROFESSIONAL ACCOUNTANTS AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MNP LLP, Chartered Professional Accountants were first appointed as the auditors of the Company on November 8, 2019.

4. AMENDMENT TO ARTICLES OF INCORPORATION – CONSOLIDATION

At the Meeting, shareholders are being asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is attached as Exhibit A to the Notice (the "**Consolidation Resolution**"), which would authorize the Company to effect a consolidation of all of the issued and outstanding Common Shares on the basis of up to fifteen (15) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the "**Consolidation**"). In the event that shareholders pass the Consolidation Resolution and the Board determines to consolidate on the maximum 15:1 basis, the presently issued and outstanding 243,971,493 Common Shares will be consolidated into approximately 16,264,766 Common Shares. If the Consolidation would otherwise result in a shareholder holding a fraction of a Common Share, no fraction or fractional certificate will be issued and the shareholder will not receive a whole Common Share for each such fraction held. In all other respects, the post-consolidated Common Shares will have the same attributes as the existing Common Shares.

The Company believes that the Consolidation will both enhance the marketability of the Company as an investment and better position the Company to raise the funds necessary for the continued development of its business and the growth of the Company.

In order to pass, the Consolidation Resolution must be approved by at least two thirds of the votes cast by the shareholders, present at the Meeting in person or represented by proxy. If the Consolidation Resolution does not receive the requisite shareholder approval, the Company will continue with its present share capital.

The Board recommends that shareholders vote in favour of the Consolidation Resolution.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE CONSOLIDATION RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST THE CONSOLIDATION RESOLUTION.

STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2021 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2020 (collectively the "Named Executive Officers") and for the directors of the Company.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years of the Company to the officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES ⁽¹⁾							
Name and position	Year	Salary, consulting fee, retainer or commission (\$) ⁽¹⁾	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$) ⁽²⁾
Mukesh (Steve) Singh ⁽²⁾ Former Chief Executive Officer and Director	2021	130,000	63,000	Nil	Nil	Nil	193,000
	2020	120,000	Nil	Nil	Nil	Nil	120,000
Robert Tjandra ⁽³⁾ Former President, Chief Operating Officer and Director	2021	72,000	Nil	Nil	Nil	42,000 ⁽⁴⁾	114,000
	2020	84,000	Nil	Nil	Nil	Nil	84,000
Rajkumar (Raj) Ravindran ⁽⁷⁾ Chief Financial Officer and Director	2021	61,500	24,000	Nil	Nil	Nil	85,500
	2020	54,000	Nil	Nil	Nil	Nil	54,000
Anthony Viele Director	2021	Nil	Nil	5,000	Nil	Nil	5,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
David Walters Director	2021	Nil	Nil	5,000	Nil	Nil	5,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Jane Wright-Mitchell ⁽⁴⁾ Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Ian Morton ⁽⁵⁾ Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) Mr. Singh resigned as Chief Executive Officer and Director on January 31, 2022.
- (3) Mr. Tjandra resigned as President, Chief Operating Officer and Director on August 18, 2021.
- (4) All other compensation includes severance payment to Mr. Tjandra.

- (5) Ms. Mitchell was appointed as a Director of the Company on October 8, 2021.
 (6) Mr. Morton was appointed as a Director of the Company on August 18, 2021.
 (7) Mr. Ravindran will not be standing for re-election as a director of the Company at the Meeting.

Stock Options and Other Compensation Securities

The following table provides a summary of all compensation securities granted or issued to each Named Executive Officer and to each director of the Company during the Company's most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

COMPENSATION SECURITIES							
Name and position	Type of compensation security ⁽²⁾	Number of compensation securities, number of underlying securities, and % of class ⁽¹⁾⁽²⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Mukesh (Steve) Singh ⁽²⁾ Former Chief Executive Officer and Director	Stock options	2,000,000 stock options representing 2,000,000 Common Shares representing 0.80% ⁽²⁾ of the outstanding number of Common Shares	August 9, 2021	0.10	\$0.09	\$0.035	August 5, 2026
Robert Tjandra ⁽³⁾ Former President, Chief Operating Officer and Director	Stock options	500,000 stock options representing 500,000 Common Shares representing 0.20% ⁽²⁾ of the outstanding number of Common Shares	August 9, 2021	0.10	\$0.09	\$0.035	August 5, 2026
Rajkumar (Raj) Ravindran Chief Financial Officer and Director	Stock options	339,000 stock options representing 339,000 Common Shares representing 0.14% ⁽²⁾ of the outstanding number of Common Shares	August 9, 2021	0.10	\$0.09	\$0.035	August 5, 2026
Anthony Viele Director	Stock options	50,000 stock options representing 50,000 Common Shares representing 0.02% ⁽²⁾ of the outstanding number of Common Shares	August 9, 2021	0.10	\$0.09	\$0.035	August 5, 2026
David Walters Director	Stock options	50,000 stock options representing 50,000 Common Shares representing 0.02% ⁽²⁾ of the outstanding number of Common Shares	August 9, 2021	0.10	\$0.09	\$0.035	August 5, 2026

Notes:

- (1) The fair value of these options, at the date of grant, was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: share price \$0.09, dividend yield 0.00%, expected volatility 114.19% (based on the average Volatility of comparable companies), risk-free rate of return 0.88% and an expected life of 4 years.
 (2) Calculated on a partially diluted basis as at August 30, 2022.

No compensation securities were exercised by any Named Executive Officer or any director of the Company during the most recently completed financial year of the Company.

Stock Option Plan and other Incentive Plans

The Company has in place a "rolling" stock option plan (the "**Stock Option Plan**") which was last approved by the shareholders of the Company on May 29, 2020. The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers of the Company by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth.

The number of Common Shares which may be reserved for issue under the Stock Option Plan is limited to 20% of the issued and outstanding number of Common Shares as at the date of the grant of stock options. As at the date hereof, 14,526,000 stock options have been issued and 34,268,298 stock options are available for issue.

Stock options may be exercisable for up to five years from the date of grant, but the Board has the discretion to grant stock options that are exercisable for a shorter period. Stock options under the Stock Option Plan are non-assignable. If prior to the exercise of a stock option, the holder ceases to be a director, officer, employee or consultant, the stock option shall be limited to the number of Common Shares purchasable by him immediately prior to the time of his or her cessation of office or employment and he shall have no right to purchase any other common shares. Stock options must be exercised within 90 days of termination of employment or cessation of position with the Company, although if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the stock option must be exercised within one year, subject to the expiry date.

The Company has no equity compensation plans other than the Stock Option Plan.

Employment, Consulting and Management Agreements

The Company has in place the following consulting agreements between the Company or any subsidiary or affiliate thereof and its executive officers:

Robert Tjandra – Consultant

Mr. Tjandra, through SRP Investama Inc., a company controlled by Mr. Tjandra, entered into a consulting agreement effective May 1, 2021 with the Company pursuant to which Mr. Tjandra is paid a consulting fee of \$7,000 per month to provide assistance with the business development of the Company (the "**Tjandra Agreement**"). The Tjandra Agreement may be terminated by either party at any time upon providing 30 days' prior written notice of termination. Mr. Tjandra resigned as President, Chief Operating Officer and Director on August 18, 2021 and received a severance package of \$42,000. Mr. Tjandra continued as a consultant till March 2022 to assist in closing of the subsidiaries.

Rajkumar (Raj) Ravindran – Chief Financial Officer

Mr. Ravindran, through 2619184 Ontario Inc., a company controlled by Mr. Ravindran, entered into a consulting agreement effective May 1, 2021 with the Company pursuant to which Mr. Ravindran is paid a consulting fee of \$8,333 per month to provide assistance with business and corporate development matters of the Company (the "**Ravindran Agreement**"). The Ravindran Agreement may be terminated by either party at any time upon providing 30 days' prior written notice of termination.

There are no employment agreements in place with any of the directors of the Company.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

The Board has adopted a charter for its Compensation Committee which sets out its mandate and purpose, as well as its duties and responsibilities. Currently, the function of the Compensation Committee is carried on by the Board.

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the LTIP. There are no other arrangements under which the directors

of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

Compensation of Named Executive Officers

Principles of Executive Compensation

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long-term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the LTIP. The Board also reviews and approves the hiring of executive officers.

Base Salary

Base salary compensates executives for fulfilling their roles and responsibilities within the organization and aims to retain such executives. The Board determines the amount of base salaries for each of the Named Executive Officers, taking into consideration the recommendation of the Chief Executive Officer, the individual's performance and contributions to the success of the Company, competitive industry pay practices for comparable positions and internal equities among positions. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of the performance of the individual relative to such factors.

Annual Incentives

The Named Executive Officers have an opportunity to earn annual incentive compensation payable as a cash bonus. The annual incentive compensation is intended to link pay to annual performance that will drive shareholder value. Award opportunities vary based on the individual's position and contributions to the performance of the Company. Annual incentive compensation is tied to corporate and individual performance. The determination of corporate and personal performance and final bonus payouts is based on a subjective assessment of such performance and requires considerable discretion. In 2021, the Company did not distribute any annual incentive due to market conditions.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined

targets met and the Board’s assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the LTIP.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. The Company is not party to any compensation plan or arrangement with a Named Executive Officer or a director of the Company resulting from the resignation, retirement or the termination of employment of such person.

SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of December 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans ⁽²⁾
Equity compensation plans approved by securityholders ⁽¹⁾	14,526,000	\$0.123	34,268,298
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	14,526,000	\$0.123	34,268,298

Note:

- (1) The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 20% of the outstanding Common Shares at the time of the stock option grant. As at the date of this Management Information Circular, 48,794,298 stock options may be issued under the Stock Option Plan, 14,526,000 stock options are outstanding and an additional 34,268,298 Common Shares are reserved for issue and remain available for future issue under the Stock Option Plan.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person 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

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year end or in any proposed transaction that has materially affected or will materially affect the Company.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 – *Audit Committees* ("NI 52-110") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual meeting. The Company is a "venture issuer" for the purposes of NI 52-110.

Audit Committee Charter

The full text of the charter of the Company's Audit Committee is attached hereto as Appendix A (the "**Charter**").

Composition of the Audit Committee

The Audit Committee members are currently Sameet Kanade, Anthony Viele and David Walters, each of whom is a director and financially literate. Messrs. Viele and Walters are deemed to be "independent" for the purposes of NI 52-110, while Mr. Kanade, Chief Executive Officer of the Company and Mr. Ravindran, Chief Financial Officer of the Company, are not considered to be "independent" for the purposes of NI 52-110.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

Sameet Kanade – Chief Executive Officer, President and Director: Mr. Kanade is a Chartered Accountant (INDIA) with a decade in investment banking, he co-founded Molecular Science Corp. and was involved in all aspects of a start-up - strategy, operations, funding, staffing and leading the business toward operationalization. Mr. Kanade holds an MBA from the University of Toronto.

Anthony Viele, Director: Mr. Viele has been an entrepreneur for over 40 years. He began his career in 1976 starting a small business manufacturing light automotive product that ran for 20 years. His experience and education is hands on, with an in-depth understanding of the fundamentals of running a business. He went on to start a consulting/marketing business specializing in high value products such as High Tec machining to composites material in the industrial and military space. In 2018, he was the CEO of Adent Capital Corp. when it merged with Khiron Life Sciences Corp., a Columbian based medical cannabis company. Prior thereto, he was a director of Friday Capital Inc. when it merged with Hit Technologies Inc., operating as HitCase, which designs, manufactures and distributes mobile accessories. Recently, he was a director of Trueclaim Exploration Inc. when it merged with New Wave Esports Corp., a competitive-gaming focused investment company. He currently consults companies to develop successful business

strategies and objectives. Mr. Viele was a director of a medical marijuana company and understands the cannabis business.

David Walters, Director: Mr. Walters has been a finance executive for over 30 years. He has had a career in corporate finance, institutional sales, compliance and management in several IROC and Exempt Market Dealer organizations. Mr. Walters is a graduate of the Royal Military College and holds an MBA from the University of Western Ontario. He also is a Chartered Financial Analyst (CFA) which he achieved during his tenure in the investment industry in Calgary and Toronto. He was previously CEO of Longford Energy and Managing Director of the WATT Energy Limited Partnerships. He is currently a director of Ensign Capital Inc., a Toronto based merchant bank and Bird River Resources Inc., a publicly listed company on the Canadian Securities Exchange. Mr. Walters was involved in many financings in the Cannabis/hemp industry and has an in-depth knowledge of the industry.

Audit Committee Oversight

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

Reliance on Exemptions in NI 52-110

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);
3. the exemption in subsection 6.1.1(5) (Events Outside Control of Member) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (Exemptions) of NI 52-110.

The Company is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

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

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2021 and December 31, 2020:

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended December 31, 2021	142,500	Nil	Nil	Nil
Year ended December 31, 2020	55,000	Nil	Nil	21,000

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

REPORT ON GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance 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 will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company’s approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

Board of Directors

The Board is currently composed of six directors. Upon completion of the meeting, the Board will be composed of five directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed director nominees, Mr. Sameet Kanade, the Chief Executive Officer of the Company, is considered not to be "independent". The remaining four proposed nominees, Ian Morton, Anthony Viele, David Walters, and Jane Wright-Mitchell are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-

101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Directorships

The directors, and proposed directors, of the Company do not currently hold directorships with other reporting issuers.

Orientation and Continuing Education

To provide orientation to new directors regarding the role of the Board and its committees, the Board provides copies of its mandate, committee charters, policies and other relevant corporate documents. To orient new directors on the nature and operation of the Company's business, the Board provides new directors with copies of the most recent public filings of the Company. New directors also meet with the Chief Executive Officer to review in detail the business of the Company. With respect to continuing education, the Board has no formal continuing education program. From time to time, the Chief Executive Officer meets with directors to update them on issues relating to the business and, in between Board meetings, the Chief Executive Officer also provides updates to the directors regarding the Company's business to ensure that the directors maintain the knowledge regarding the Company and its industry necessary for them to meet their obligations as directors. Directors are individually responsible for updating their skills necessary to meet their obligations as directors. Several directors have either public company experience or experience on other boards of directors.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

Nomination of Directors

At present, the Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company's development and given the small size of the Board.

While there are no specific criteria for Board membership, in identifying new candidates for Board nomination, the Board considers a mix of competencies and skills in different areas, such as business, mineral exploration and development and other areas which could be useful in guiding management of the Company.

Diversity of the Board and Senior Management

As a federal distributing corporation, incorporated under the *Canada Business Corporations Act*, the Company is required to disclose information annually to its shareholders and Corporations Canada on the diversity of its Board and senior management on the representation of women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities, members of visible minorities or otherwise self-represent as being within designated groups (as that term is defined in the *Employment Equity Act* (Canada) (the "**Designated Groups**"). The information below is provided as of September 8, 2022.

Diversity of the Board and Senior Management

The Company has not adopted a formal written policy regarding the diversity of the Board or senior management. The Company does not believe a formal policy would increase the representation of Designated Groups beyond how the Company currently nominates and appoints individuals to the Board and senior management. The Company considers all qualified individuals for each position that may arise.

While the Company believes that nominations to the Board and appointments to senior management should be based on merit, the Company recognizes that diversity supports balanced debate and discussion which, in turn, enhances decision-making and the level of representation of members of the Designated Groups is one factor taken into consideration during the search process for directors and members of the senior management.

In assessing potential directors and members of the senior management, the Company focuses on the skills, expertise, experience and independence which the Company requires to be effective. Due to the small size of the Board and the management team, and the stage of development of the Company's business, the Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process. The Company will include diversity (including the level of representation of members of Designated Groups) as a factor in its future decision-making when identifying and nominating candidates for election or re-election to the Board and for senior management positions.

Director Term Limits and Other Mechanism of Board Renewal

The Company has not adopted term restrictions for directors or other mechanism of Board renewal that would limit the time an individual could serve on the Board. Imposing a term limit would require the Company to remove an individual that has acquired an extensive knowledge and understanding of the operations of the Company. Accordingly, the Company believes that removing an individual solely on length of service would not benefit the shareholders of the Company. Each member of the Board is put forth, for election or re-election, to shareholders annually.

Quotas or Targets for Representation of Designated Groups on the Board and among Senior Management

The Company has not established quotas or targets for representation of individuals from the Designated Groups to the Board or senior management. The Company believes that focusing on a quota or target rather than on skills and experience would limit the Company's ability to provide shareholders with a Board or senior management that meets the qualifications and needs of the Company and its shareholders.

Representation of Designated Groups among Board and Senior Management

As of the date hereof, there are no members of a Designated Group that hold a position on the Board or among senior management.

Other Board Committees

In addition to the Audit Committee, the Company has established a Compensation Committee.

Assessments

At present, the Board is responsible for assessing the effectiveness of the Board, its committees and individual directors. The Board is sufficiently small to permit all directors to have input on matters on a regular basis and to informally assess the performance of the Board throughout the year.

OTHER MATTERS

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

ADDITIONAL INFORMATION

Shareholders may contact the Company in order to request copies of: (i) this Management Information Circular; and (ii) the Company's financial statements and the related management's discussion and analysis which will be sent to the shareholder without charge upon request.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Management Information Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Toronto, Ontario, on the 8th day of September, 2022.

BY ORDER OF THE BOARD

"Sameet Kanade" (signed)
Chief Executive Officer and Director

APPENDIX A

STEEP HILL INC.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE

The Audit Committee is a committee of the Board of Directors (the "**Board**") of Steep Hill Inc. (the "**Company**"). The primary function of the Audit Committee is to assist the Board in fulfilling its financial reporting and controls responsibilities to the shareholders of the Company. The external auditors will report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities are:

- (a) overseeing the integrity of the Company's financial statements and reviewing the financial reports and other financial information provided by the Company to any governmental body or the public and other relevant documents;
- (b) recommending the appointment and reviewing and appraising the audit efforts of the Company's external auditor, overseeing the external auditor's qualifications and independence and providing an open avenue of communication among the external auditor, financial and senior management and the Board;
- (c) serving as an external and objective party to oversee and monitor the Company's financial reporting process and internal controls, the Company's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements.

2. COMPOSITION

The Audit Committee shall consist of a minimum of three Directors of the Company, including the Chair of the Audit Committee, at least two of whom shall be "independent" Directors as such term is defined in National Instrument 52-110 ("**NI 52-110**"). All members shall, to the satisfaction of the Board, be "financially literate" as defined in NI 52-110.

The members of the Audit Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors are duly elected and qualified. The Board may remove a member of the Audit Committee at any time in its sole discretion by resolution of the Board. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full membership of the Audit Committee.

3. DUTIES AND RESPONSIBILITIES

- (a) The Audit Committee shall review and recommend to the Board for approval:
 - (i) The annual audited consolidated financial statements.
 - (ii) Review with senior management and the external auditor the Company's financial statements, MD&A's and earnings releases to be filed with regulatory bodies prior to filing or prior to the release of earnings.
 - (iii) Documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or interim financial results (e.g., prospectuses, press releases with financial results and Annual Information Form - when applicable) prior to their release.

- (b) The Audit Committee, in fulfilling its mandate, will:
- (i) Satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws.
 - (ii) Recommend to the Board the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor. Review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant. Review the annual audit plans of the internal and external auditors of the Company.
 - (iii) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion or disagreements between management and the external auditor.
 - (iv) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
 - (v) Arrange for the external auditor to be available to the Audit Committee and the full Board as needed. Ensure that the auditors report directly to the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.
 - (vi) Ensure that the external auditors are prohibited from providing non-audit services and approve any permissible non-audit engagements of the external auditors, in accordance with applicable legislation.
 - (vii) Review with senior management and the external auditor of the Company's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results.
 - (viii) Review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements.
 - (ix) Perform such other duties as required by the Company's incorporating statute and applicable securities legislation and policies.
 - (x) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters.
- (c) The Audit Committee may engage and communicate directly and independently with outside legal and other advisors for the Audit Committee.

4. SECRETARY

The Secretary of the Audit Committee will be appointed by the Chair.

5. MEETINGS

- (a) The Audit Committee shall meet at such times and places as the Audit Committee may determine, but no less than four times per year. At least annually, the Audit Committee shall meet separately with management and with the external auditors.
- (b) Meetings may be conducted with members in attendance in person, by telephone or by video conference facilities.
- (c) A resolution in writing signed by all the members of the Audit Committee is valid as if it had been passed at a meeting of the Audit Committee.
- (d) The external auditors or any member of the Audit Committee may call a meeting of the Audit Committee.
- (e) The external auditors of the Company will receive notice of every meeting of the Audit Committee.

6. QUORUM

A quorum is established with a majority on the Audit Committee Members in attendance.