

**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, July 28, 2023, 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, 2022 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;
5. to consider and, if deemed advisable, to pass, with or without variation, a special resolution of the Company (the "**Asset Sale Resolution**") approving and authorizing the sale of all or substantially all of the Company's assets (the "**Asset Sale**") pursuant to section 189(3) of the *Canada Business Corporations Act* (the "**CBCA**"), the terms of such Asset Sale to be finalized by management and approved by the board of directors of the Company. If completed, the Company shall become a shell corporation with no assets other than the proceeds from the Asset Sale;
6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of shareholders approving and confirming the stock option plan of the Company; and
7. 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, July 26, 2023 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 Tuesday June 13, 2023 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.

Pursuant to section 190 of the CBCA, Shareholders are entitled to exercise rights of dissent in respect of the Asset Sale and, if the Asset Sale becomes effective, to be paid the fair value for such holder's Common Shares. Shareholders wishing to dissent with respect to the Asset Sale must send a written objection to the registered office of the Company, addressed to Steep Hill Inc., 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1, Attention: Chief Executive Officer, at or prior to the time of the Meeting in order to be effective. Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered Shareholders are entitled to dissent. Accordingly, a beneficial owner of Common Shares desiring to dissent should make arrangements for the registered holder of his, her or its Common Shares to dissent on his, her or its behalf. Alternatively, a beneficial owner of Common Shares

desiring to dissent directly should make arrangements for the Common Shares beneficially owned by such person to be re-registered in his, her or its name prior to the time the written objection to the Proposed Transaction is required to be received by the Company. See “*Particular of Matters to Acted On – Sale of All of Substantially All of the Assets – Dissent Rights*” in the Circular for a description of a Shareholder’s right to dissent to the Asset Sale. Failure to strictly comply with the requirements set forth in section 190 of the CBCA may result in the loss of any right of dissent.

#### 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 June 20, 2023 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](http://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(844) 499 4482.

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](http://www.sedar.com).

**DATED** at Toronto, Ontario this 20<sup>th</sup> day of June, 2023.

**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 June 20, 2023 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."

**EXHIBIT B**  
**SPECIAL RESOLUTION OF THE SHAREHOLDERS**  
**OF**  
**STEEP HILL INC. (THE "COMPANY")**  
**ASSET SALE RESOLUTION**

“**BE IT RESOLVED** as a special resolution that:

1. the sale (the “**Sale**”) to Overlook Partners, LLC, an Arkansas Limited Liability Company of the licensed mark in the US, which constitutes a sale of all or substantially all of the assets of the Company, as contemplated by section 189(3) of the *Canada Business Corporations Act*, on terms to be finalized by management of the Company and approved by the board of directors of the Company (the “**Board**”), be and is hereby approved and authorized;
2. the chief executive officer of the Company is hereby authorized to negotiate and settle the form of share purchase and sale agreement between the Company and Overlook Partners, LLC (the “**Agreement**”) on such terms and conditions as may be approved by such officer and the execution and delivery of the Agreement by such officer of the Company for and on behalf of the Company is hereby authorized and approved;
3. notwithstanding that this resolution has been duly passed by the shareholders, the Board is hereby authorized and empowered, without further notice to, or ratification or approval of, the shareholders of the Company, in its sole discretion, approve or amend any terms of any agreement pertaining to the Sale, or not to proceed with the Sale; and
4. any one or more directors and officers of the Company is hereby authorized and directed to perform all such acts, deeds and things and to execute, under corporate seal of the Company or otherwise, all such documents and other writings, including as may be required to give effect to the true intent of this resolution.”

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

**MANAGEMENT INFORMATION CIRCULAR**  
**As at June 20, 2023.**

**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, July 28, 2023 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 July 26, 2023, 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 June 13, 2023, there were a total of 242,844,610 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, 2022 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](http://www.sedar.com).

### **2. ELECTION OF DIRECTORS**

The Board currently consists of five (5) directors to be elected annually. 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 <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
Ian Morton <sup>(4)</sup> Ontario, Canada  Director	Business owner and Director – Summerhill, Manways, the Commercial Road and Eco Generation.	August 18, 2021	1,633,104	0.67%
Anthony Viele <sup>(2)(3)</sup> Ontario, Canada  Director	Self-employed, Business Consultant	May 29, 2020	391,667	0.16%
David Walters <sup>(2)(3)</sup> 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 <sup>(2)(3)</sup> Ontario, Canada  Chief Executive Officer and Director	Chief Executive Officer and Director	February 1, 2022	3,118,173	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 2.17% 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 242,844,610 Common Shares will be consolidated into approximately 16,189,640 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.**

## **5. SALE OF ALL OR SUBSTANTIALLY ALL THE ASSETS**

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is attached as Exhibit B to the Notice of Meeting (the "**Asset Sale Resolution**") to approve a divestiture of substantially all of the assets of the Company that, if completed, for corporate law purposes will constitute the sale of all or substantially all of the assets of the Company (the "**Asset Sale**"). Such asset includes the licensed US mark, in accordance with the *Canada Business Corporations Act* (the "**CBCA**").

As of the date of this Management Information Circular, the Company has entered into a non-binding letter of intent with a third party purchaser, Overlook Partners LLC, an Arkansas Limited Liability Company ("the "**Purchaser**") for the proposed sale of the Steep Hill Assets, as further described in the "Steep Hill Assets" section, below.

The Asset Sale Resolution is to approve the Asset Sale on terms to be finalized by management and approved by the Board. If completed, the Company shall become a shell corporation with no assets other than the proceeds from the Asset Sale. If the Asset Sale Resolution is passed, the Company will not seek any further approvals from the shareholders for the completion of the Asset Sale.

**THE BOARD UNANIMOUSLY DETERMINED THAT THE ASSET SALE IS IN THE BEST INTEREST OF THE COMPANY AND RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE ASSET SALE RESOLUTION.**

In order to pass the Asset Sale Resolution, at least two thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Asset Sale Resolution.

### **Background and Reasons for the Asset Sale**

Following the termination and release agreements signed with former licensees within Steep Hill US (as announced in March 2023), and the subsequent termination of all employment agreements and consulting contracts associated with operations in the US, the sale of the licensed mark – Steep Hill – is one of the steps required as part of restructuring of corporate obligations. This will enable the company to pass on ongoing maintenance costs of the licensed mark to a former licensee that currently operates in the US under a "d/b/a" as Steep Hill Arkansas. Such proceeds intend to be utilized to meet current financial obligations in the US.

### **Assets**

As of the date of this Management Information Circular, the Company has entered into a non-binding letter of intent (the "**LOI**") with Overlook Partners, LLC for the proposed sale of the Steep Hill Assets for gross sale proceeds to the Company of USD\$15,000 as consideration for the sale of the Steep Hill Assets to Overlook Partners, LLC, which is conditional upon, among other things:

- (a) the Company and the Purchaser entering into a definitive agreement, including all ancillary agreements attached thereto (the "**Definitive Agreement**") with respect to the purchase of the Steep Hill Assets;
- (b) the Company and the Purchaser obtaining all applicable consents and approvals, including any applicable shareholder or director resolutions and any third-party approvals necessary to give full effect to the terms of the Definitive Agreement and the proposed transaction; and

- (c) the Purchaser having conducted a due diligence review, being satisfied with the Steep Hill Assets in all respects.

### **Benefits to Shareholders**

The Board considers the Asset Sale to have multiple benefits to the shareholders. Specifically, the company will pass on the ongoing maintenance costs to the buyer, with the proceeds being utilized to meet financial obligations in the US.

### **Stock Exchange Approval**

The Common Shares are currently listed and traded on the Canadian Securities Exchange ("CSE") and are expected to continue to be listed on the CSE following completion of the Asset Sale. In order to maintain its listing on the CSE, the Company will be required to meet the continued listing standards of the CSE.

If the CSE determines that as a result of the Asset Sale, the Company no longer meets the continued listing standards of the CSE, the CSE may, at its discretion, suspend and delist the Common Shares.

### **Dissent Rights**

The following is a summary of the provisions of the CBCA relating to a shareholder's dissent rights in respect of the Asset Sale Resolution (the "**Dissent Rights**"). Such summary is not a comprehensive statement of the procedures to be followed by a shareholder who exercises the Dissent Rights and is qualified in its entirety by reference to the full text of Section 190 of the CBCA, which are attached to this Management Information Circular as Appendix "B".

The statutory provisions dealing with the Dissent Rights are technical and complex. Any shareholders wishing to exercise their Dissent Rights should seek independent legal advice, as failure to comply strictly with the provisions of Section 190 of the CBCA may prejudice their Dissent Rights.

Each registered shareholder who fails to exercise the registered shareholder's Dissent Right strictly in accordance with the dissent procedures described below and, in the CBCA, will be deemed to have

- (a) failed to exercise the Dissent Rights validly, and consequently to have waived the Dissent Rights, and
- (b) ceased to be entitled to be paid the fair market value of the registered shareholder's Common Shares.

Only registered shareholders are entitled to Dissent Rights. Any non-registered or Beneficial shareholder ("**Non-Registered Holder**") who wishes to dissent should arrange to have his, her or its Common Shares registered in his, her or its name before the applicable deadline for exercising the Dissent Rights or should make arrangements with the registered holder of his, her or its Common Shares to exercise the Dissent Rights on his, her or its behalf.

Pursuant to Section 190 of the CBCA of the CBCA, every registered shareholder who dissents from the Asset Sale Resolution (a "**Dissenting Shareholder**") in compliance with Section 190 of the CBCA of the BCA will be entitled, if the Asset Sale Resolution becomes effective, to be paid by the Company the fair market value of the Common Shares held by such Dissenting Shareholder, such value to be determined at the close of business on the last business day before the day of the Meeting in accordance with Section 190 of the CBCA of the CBCA.

A Dissenting Shareholder must dissent with respect to all Common Shares registered in the name of the Dissenting Shareholder. A registered Shareholder who wishes to dissent must deliver written notice of dissent (a "**Notice of Dissent**") to the Company at its office at 120 Adelaide Street West, Suite 2500, Toronto, ON M5H 1T1, Attention: Chief Executive Officer, and the Notice of Dissent must comply with the requirements of Section 190 of the CBCA of the CBCA. The Notice of Dissent must be sent to the Company at least two days before the day of the Meeting or any adjournment of the Meeting. Since the date of the Meeting is July 28, 2023, a notice of dissent must be received by the Company no later than 10:00 a.m. (Eastern time) on July 26, 2023, or at least two days immediately before any date to which the Meeting may be postponed or adjourned.

Any failure by a shareholder to fully comply may result in the loss of that shareholder's Dissent Rights. Non-Registered Holders who wish to exercise Dissent Rights must arrange for the registered shareholder holding their

Common Shares to deliver the Notice of Dissent.

The delivery of a Notice of Dissent does not deprive a Dissenting Shareholder of the right to vote at the Meeting on the Asset Sale Resolution; however, a Dissenting Shareholder is not entitled to exercise the Dissent Rights with respect to any of his, her or its Common Shares if the Dissenting Shareholder votes in favour of the Asset Sale Resolution. A vote against the Asset Sale Resolution, whether in person or by proxy, does not constitute a Notice of Dissent.

A Dissenting Shareholder must prepare a separate Notice of Dissent for him or herself, if dissenting on his, her or its own behalf, and for each other person who beneficially owns Common Shares registered in the Dissenting Shareholder's name and on whose behalf the Dissenting Shareholder is dissenting; and must dissent with respect to all of the Common Shares registered in his, her or its name beneficially owned by the Non-Registered Holder on whose behalf he or she is dissenting.

The Notice of Dissent must set out the number of Common Shares in respect of which the Notice of Dissent (the "**Notice Shares**") is to be sent and must include:

- (a) if such Common Shares are all of the Common Shares of which the Dissenting Shareholder is both the registered and beneficial owner and the Dissenting Shareholder owns no other Common Shares as beneficial owner, a statement to that effect;
- (b) if such Common Shares are all of the Common Shares of which the Dissenting Shareholder is both the registered and beneficial owner but the Dissenting Shareholder owns additional Common Shares as beneficial owner, a statement to that effect and;
  - (i) the names and addresses of the registered shareholders,
  - (ii) the number of Common Shares held by each of those registered shareholders, and
  - (iii) a statement that written notices of dissent are being, or have been, sent with respect to all those other Common Shares; or
- (c) if the Dissent Rights are being exercised by a registered shareholder on behalf of a beneficial owner of such Common Shares who is not the Dissenting Shareholder, a statement to that effect and:
  - (i) the name and address of the beneficial owner, and
  - (ii) a statement that the registered owner is dissenting in relation to all of the Common Shares beneficially owned by the beneficial owner that are registered in the registered shareholder's name.

If the Asset Sale Resolution is approved by the shareholders and if the Company notifies the Dissenting Shareholders of its intention to act upon the Asset Sale Resolution, the Dissenting Shareholder is then required within twenty days after the Company gives such notice, to send to the Company the certificates representing the Notice Shares and a written statement that requires the Company to purchase all of the Notice Shares. If the Dissent Right is being exercised by the Dissenting Shareholder on behalf of a Non-Registered Holder who is not the Dissenting Shareholder, a statement signed by the beneficial owner is required which sets out whether the beneficial owner is the beneficial owner of other Common Shares and if so, (i) the names and addresses of the registered owners of such Common Shares; (ii) the number of such Common Shares; and (iii) that dissent is being exercised in relation to all of those Common Shares. Upon delivery of these documents, the Dissenting Shareholder is deemed to have sold the Common Shares and the Company is deemed to have purchased them. Once the Dissenting Shareholder has done this, the Dissenting Shareholder may not vote or exercise any shareholder rights in respect of the Notice Shares.

The Dissenting Shareholder and the Company may agree on the payout value of the Notice Shares; otherwise, either party may apply to the court to determine the fair value of the Notice Shares or apply for an order that value be established by arbitration or by reference to the registrar or a referee of the court. After a determination of the payout value of the Notice Shares, the Company must then promptly pay that amount to the Dissenting Shareholder.

A Dissenting Shareholder loses his, her or its Dissent Right if, before full payment is made for the Notice Shares, the Company abandons the corporate action that has given rise to the Dissent Right (namely the Asset Sale), a court

permanently enjoins the action, or the Dissenting Shareholder withdraws the Notice of Dissent with the Company's consent. When these events occur, the Company must return the share certificates to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise shareholder rights.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. A shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Section 185 of the CBCA. Persons who are Non-Registered Holders of Common Shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such Common Shares is entitled to dissent.

Any shareholder wishing to exercise the Dissent Rights should seek his, her or its own legal advice as failure to comply strictly with the applicable provisions of the CBCA may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process.

### **Recommendation of the Board**

The Board has unanimously approved the Asset Sale Resolution and believe that the Asset Sale is in the best interests of the Company and, based on the factors set out above under "Background and Reasons for the Asset Sale", that the Asset Sale is fair to shareholders. In reaching this determination, the Board has considered, among other things, the purchase price to be received by the Company in payment for the Steep Hill Assets and the current market capitalization of the Company. Accordingly, the Board unanimously recommends that shareholders allow for the completion of the Asset Sale by approving the sale of the Steep Hill Assets to Overlook Partners LLC.

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

### **Risk Factors**

Shareholders should carefully consider the following risk factors relating to the Asset Sale. The following risk factors are not a definitive list of all risk factors associated with the Asset Sale. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect the common shares. The risk factors enumerated below should be considered in conjunction with the other information included in this Management Information Circular.

*The Asset Sale may not proceed.*

As of the date of this Management Information Circular, the Company has entered into the LOI with respect to the Steep Hill Assets. Accordingly, there is no certainty, nor can the Company provide any assurance, that the sale of the Licensed Mark Assets will be completed.

*There can be no certainty that shareholder approval will be obtained.*

If the Asset Sale Resolution is not approved by at least two thirds of the votes cast by shareholders present at the Meeting in person or by proxy, the Asset Sale will not be completed. There can be no certainty, nor can the Company provide any assurance, that the requisite shareholder approval of the Asset Sale Resolution will be obtained. There is no assurance that there will not be Dissenting Shareholders.

*The Company may no longer meet the listing requirements of the CSE.*

If the Company proceeds with the Asset Sale, the Company will have sold substantially all of its assets. There is a risk that the Company will not be able to meet the minimum listing requirements of the CSE and may be required to commence a delisting review. It would be up to the Company to delist its Common Shares or seek a listing on an alternative exchange if it does not meet the minimum listing requirements of the CSE. The Company may consider a voluntary delisting from the CSE and an application for a listing on an alternative exchange in an effort to ensure continued and seamless trading liquidity for the shareholders and provide flexibility to the Company.

## 6. APPROVAL OF STOCK OPTION PLAN

The Company has adopted a "rolling" stock option plan (the "**Plan**") for officers, directors, employees and consultants of the Company. The Plan provides for the issue of stock options to acquire up to 10% of the issued and outstanding Common Shares as at the date of grant, subject to standard anti-dilution adjustment. This is a "rolling" stock option plan as the number of Common Shares reserved for issue pursuant to the grant of stock options will increase as the number of issued and outstanding Common Shares increases. At no time will more than 10% of the outstanding Common Shares be subject to grant under the Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares in respect of that expired, exercised or terminated stock option shall again be available for the purpose of the Plan. The principal features of the Plan are described in more detail below in the section entitled "*Statement of Executive Compensation – Stock Option Plan and other Incentive Plans*".

The Plan was last approved and confirmed by the shareholders of the Company at the annual and special meeting of shareholders held on May 29, 2020.

The Plan is a "rolling" stock option plan and under Policy 6.5 of the Canadian Securities Exchange (the "**CSE**"), a listed company on the CSE is required to obtain the approval of its shareholders for a "rolling" stock option plan at each annual meeting of shareholders. Accordingly, shareholders will be asked to approve the following resolution:

**"BE IT RESOLVED THAT:**

1. the stock option plan of the Company as described in the management information circular dated June 20, 2023, be and it is hereby confirmed and approved.

In accordance with the policies of the CSE, the Plan must be approved by the majority of votes cast at the Meeting on the resolution.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH 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, 2022 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2021 (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 <sup>(1)</sup>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$) <sup>(1)</sup>	Total compensation (\$)
Sameet Kanade <sup>(1)</sup> Chief Executive Officer and Director	2022	200,556	Nil	Nil	Nil	5,144	205,700
	2021	Nil	Nil	Nil	Nil	Nil	Nil

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$) <sup>(1)</sup>	Total compensation (\$)
Mukesh (Steve) Singh <sup>(2)</sup> Former Chief Executive Officer and Director	2022 2021	10,000 130,000	Nil 63,000	Nil Nil	Nil Nil	60,000 Nil	70,000 193,000
Robert Tjandra <sup>(3)</sup> Former President, Chief Operating Officer and Director	2022 2021	Nil 72,000	Nil Nil	Nil Nil	Nil Nil	Nil 42,000	Nil 114,000
Rajkumar (Raj) Ravindran <sup>(7)</sup> Former Chief Financial Officer and Director	2022 2021	90,000 61,500	Nil 24,000	Nil Nil	Nil Nil	Nil Nil	90,000 85,500
Anthony Viele Director	2022 2021	Nil Nil	Nil Nil	12,000 5,000	Nil Nil	Nil Nil	12,000 5,000
David Walters Director	2022 2021	Nil Nil	Nil Nil	12,000 5,000	Nil Nil	Nil Nil	12,000 5,000
Jane Wright-Mitchell <sup>(4)</sup> Director	2022 2021	Nil Nil	Nil Nil	9,000 Nil	Nil Nil	Nil Nil	9,000 Nil
Ian Morton <sup>(5)</sup> Chairman and Director	2022 2021	63,994 Nil	Nil Nil	24,000 Nil	Nil Nil	Nil Nil	87,994 Nil

Notes:

- (1) Mr. Kanade was appointed as Chief Executive Officer and Director on February 1, 2022.
- (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 comprised of severance payment.
- (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 resigned as Director on October 14, 2022 and as Chief Financial Officer on May 31, 2023.

### 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 <sup>(2)</sup>	Number of compensation securities, number of underlying securities, and % of class <sup>(1)(2)</sup>	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
Sameet Kanade Chief Executive Officer and Director	Stock options	750,000 stock options representing 750,000 Common Shares representing 0.30% <sup>(2)</sup> of the outstanding number of Common Shares	May 3, 2022	\$0.08	\$0.02	\$0.005	May 3, 2025
Rajkumar (Raj) Ravindran Former Chief Financial Officer	Stock options	500,000 stock options representing 500,000 Common Shares representing 0.20% <sup>(2)</sup> of the outstanding number of Common Shares	May 3, 2022	\$0.08	\$0.02	\$0.005	May 3, 2025
Anthony Viele Director	Stock options	100,000 stock options representing 100,000 Common Shares representing 0.04% <sup>(2)</sup> of the outstanding number of Common Shares	May 3, 2022	\$0.08	\$0.02	\$0.005	May 3, 2025
David Walters Director	Stock options	100,000 stock options representing 100,000 Common Shares representing 0.04% <sup>(2)</sup> of the outstanding number of Common Shares	May 3, 2022	\$0.08	\$0.02	\$0.005	May 3, 2025
Jane Wright-Mitchell Director	Stock options	200,000 stock options representing 200,000 Common Shares representing 0.08% <sup>(2)</sup> of the outstanding number of Common Shares	May 3, 2022	\$0.08	\$0.02	\$0.005	May 3, 2025
Ian Morton Chairman and Director	Stock options	500,000 stock options representing 500,000 Common Shares representing 0.20% <sup>(2)</sup> of the outstanding number of Common Shares	May 3, 2022	\$0.08	\$0.02	\$0.005	May 3, 2025

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 \$0.02, dividend yield 0.00%, expected volatility 123% (based on the average volatility of comparable companies), risk-free rate of return 2.84% and an expected life of 3 years.
- (2) Calculated on a partially diluted basis as at June 13, 2023.

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, 23,526,000 stock options have been issued and 25,042,922 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:

#### ***Sameet Kanade – Chief Executive Officer***

The Company entered into an employment agreement with Sameet Kanade for his services as Chief Executive Officer of the Company on January 31, 2022. Pursuant to the agreement, Mr. Kanade receives remuneration of \$200,000 annually. The agreement continues from year to year and may be terminated by the Company on payment of six (6) months' base salary plus two (2) weeks of base salary per every additional year of service up to a maximum of twelve (12) months base salary.

#### ***Patricia Militello – Interim Chief Financial Officer***

The company entered into a consulting agreement with Eco Generation Home Services, a corporation controlled by Patricia Militello for her services as Chief Financial Officer of the Company on May 31, 2023. Pursuant to the agreement Ms. Militello is paid an hourly rate of \$150, to a maximum of \$7,500 per month. The agreement continues on a month to month basis and may be terminated by the Company on sixty (60) days written notice.

There are no employment agreements in place with any other 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 <sup>(2)</sup>
Equity compensation plans approved by securityholders <sup>(1)</sup>	23,526,000	\$0.11	25,042,922
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>23,526,000</b>	<b>\$0.11</b>	<b>25,042,922</b>

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, 48,568,922 stock options may be issued under the Stock Option Plan, 23,526,000 stock options are outstanding and an additional 25,042,922 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 of the Company, is not considered "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 Sports 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, 2022 and December 31, 2021:

	<b>Audit Fees (\$)</b>	<b>Audit-Related Fees (\$)</b>	<b>Tax Fees (\$)</b>	<b>All Other Fees (\$)</b>
<b>Year ended December 31, 2022</b>	<b>192,000<sup>(1)</sup></b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Year ended December 31, 2021</b>	<b>142,500</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

Notes:

(1) Estimated audit fees for fiscal year 2022.

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 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 June 20, 2023.

#### ***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 20<sup>th</sup> day of June, 2023.

**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.

**APPENDIX "B"**

**STEEP HILL INC.**

**DISSENT RIGHTS**

**Right to dissent**

- **190 (1)** Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to
  - **(a)** amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
  - **(b)** amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
  - **(c)** amalgamate otherwise than under section 184;
  - **(d)** be continued under section 188;
  - **(e)** sell, lease or exchange all or substantially all its property under subsection 189(3); or
  - **(f)** carry out a going-private transaction or a squeeze-out transaction.
- **Further right**

**(2)** A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.
- **If one class of shares**

**(2.1)** The right to dissent described in subsection (2) applies even if there is only one class of shares.
- **Payment for shares**

**(3)** In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.
- **No partial dissent**

**(4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

- **Objection**

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

- **Notice of resolution**

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

- **Demand for payment**

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

- **Share certificate**

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

- **Forfeiture**

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

- **Endorsing certificate**

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

- **Suspension of rights**

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

- **Offer to pay**

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

- **Same terms**

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

- **Payment**

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

- **Corporation may apply to court**

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

- **Shareholder application to court**

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

- **Venue**

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

- **No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

- **Parties**

**(19)** On an application to a court under subsection (15) or (16),

- **(a)** all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- **(b)** the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

- **Powers of court**

**(20)** On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

- **Appraisers**

**(21)** A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

- **Final order**

**(22)** The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

- **Interest**

**(23)** A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

- **Notice that subsection (26) applies**

**(24)** If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

- **Effect where subsection (26) applies**

**(25)** If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- **(a)** withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- **(b)** retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

- **Limitation**

**(26)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- **(a)** the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- **(b)** the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.